

## Article

# Sustainability Perceptions in Romanian Non-Profit Organizations: An Exploratory Study Using Success Factor Analysis

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**Abstract:** This paper analyses sustainability perceptions in Romanian non-profits by investigating 81 non-profits managers and board members. Using a multidimensional sustainability measurement framework, Success Factor Analysis, as a conceptual model, we measured perceptions on 5 critical sustainability factors: People, Business Model, Operations, Strategy and Culture and concluded that there are significant differences in the perceptions of sustainability depending on respondents' previous failure experiences. While those which previously experienced failure adopt a long-term approach based on marketization, clear accountability standards and rely on strategy, while the others prefer a short-term approach, focused more on non-profits operations and focus on human resources.

**Keywords:** sustainability of non-profits; sustainability measurement; success and failure; sustainability indicators

## 1. Introduction

Sustainability of organizations, both for-profit and non-profit, have become a prominent theme in the literature in the last decades [1–7]. Various studies have examined the reasons why some organizations have better results than others or, in other cases, to understand why they fail [8–10].

The contribution of non-profits organizations (NPOs) to the human development is widely recognized in the society [11]. NPOs are characterized by their orientation toward the accomplishment of social objectives [12] and their focus on social goals is part of their mission [13].

Because their focus is not on profit [14], NPOs have to use specific operational models and rely on multiple resource providers to make possible their operations. Since many NPOs rely heavily on government funding, along private organizational or individual donors [15], this induce a sense of uncertainty as many of public initiatives lack full commitment or less clear performance criteria [16].

Simultaneously, NPOs has to cope with an increased competition, partly determined by the increased involvement of for-profits on markets traditionally served by NPOs [17] and partly because the number of NPOs is growing and resource available are rather constant, increasing volatility of support by donors [18]. These changes have determined NPOs to become increasingly interested in ensuring sustainability in order to continue to pursue their mission [18,19].

Hence, over the last few decades, scholars increasingly researched challenges faced by NPOs in becoming sustainable. Some of them have argued that NPOs must adopt entrepreneurial behaviour

in their operations [20], become more focused on outcomes and adopt innovative practices [14], similar with what companies do, pursue innovative ways of delivering value to their target groups [21] or even implement specific business models [22] to accommodate the need for market orientation [23] to become sustainable. All these changes in their traditional organizational and environmental settings have led to a significant pressure on non-profit organizations to demonstrate performance [24,25].

Although sustainability measurement from other sectors, especially for-profit sector, offers insights [7], literature has identified important differences [26–28]. One of them is the complexity, since non-profits usually seek to fulfil substantial divergent goals than for-profits, making them difficult to assess [29–31]. Further, although there is a growing body of literature dedicated to sustainability measurement for companies, this literature is less established relative to non-profit [25].

To make matters worse, there is an important trend in the NPO sector toward the marketization of non-profits activities coupled with professionalization of the staff, both board members and volunteers [32], even though some scholars argue that this trend increased risks for non-profits because it may lead them to neglect their social mission [33]. This make difficult to further differentiate the main measurement indicators for sustainability due to increased overlapping between for-profit and non-profit. To cope with this risk, various scholars propose a wide array of actions [14,20,34] while simultaneously redefine, sometimes fundamentally, the purpose and mission of the organization [35,36]. However, empirical studies on the marketization of NPOs conclude that it leads to improved outcomes, for instance service delivery, but made no associated assessment of the impact on others, such as social mission [37]. Cordes et al. (2000) [38] argue that NPOs may attempt to be sustainable by using either internal or external focus, albeit they can follow both approaches simultaneously. Internal focus involves management initiatives designed to produce greater organizational efficiency, effectiveness and flexibility [39], while external focus involves special attention paid to various external stakeholders while simultaneously better adapt to environment.

Scholars have developed a variety of sustainability frameworks for the non-profit sector [26,27,40–42]. However, these generally emphasize only certain organizational dimensions, usually financial performance and there has been limited attempts toward the integration of these frameworks. Some scholars have focused on understanding the patterns of performance in non-profits, others on specific tools in facilitating non-profit sustainability measurement, while a third category analyse sustainability in terms of organizational success and failure [43,44].

The goal of this paper is to contribute to development of understanding NPOs sustainability by discussing perceptions of sustainability according to previous success or failure experiences of non-profits managers and board members. Using *Success Factor Analysis* as a theoretical background, we elaborated on the different perceptions of NPOs sustainability. Our approach follows others [45,46], pledging for the development and testing methodologies and frameworks of sustainability and for empirical studies to better understand the topics of success and failure of NPOs.

## 2. Sustainability Approaches in Non-Profit Organizations

For a non-profit, sustainability primarily means being able to survive so that it can continue to serve its mission [6]. As such, non-profit sustainability means that the organization will be able to fulfil its commitments to its clients and the community in which it operates [6].

There is a wide variety of perspectives in conceptualizing non-profit sustainability. We considered in our literature review several of the most comprehensive.

- A. One perspective *emphasize various dimensions of organizational sustainability*, considered critical in NPO survivability:
  - (a) *focused on financial viability or long-term economic growth of non-profits* [47–52] emphasizing indicators like liquidity, solvency or margin [48]. Some scholars consider current ratio and capital ratio [49], others consider days of cash on hand [50,51] or cash and cash reserve ratio [52]. The large number of studies comprising financial viability as a main dimension of

sustainability can be attributed to the literature that detects financial indicators predicting financial vulnerability of NPOs [47,53,54].

- (b) *focused on program sustainability*, with an emphasis on maintaining the quality of a particular service or program [55–57].
- (c) *focused on developing new methodologies to identify and assess those organizational characteristics critical for NPOs sustainability*, based on an assessment of core attributes such as leadership capabilities and management competencies, organizational capacity to provide specific services, or ability to anticipate and cope with change [58,59].

In choosing the most suitable model for the exploratory study, we used *financial viability approach*, reflected in items like diversity of revenue sources, earned income contribution to revenue mix, various contributions (individual, event-based or board determined) or emphasis on new revenue sources and *organizational characteristics critical for NPOs sustainability approach* through items like board contribution to leadership, clarity of theory of change, cohesiveness of philosophy or change tolerance.

- B. Another perspective focus on *value-generation process*, emphasizing one or several phases such as inputs, organizational capacity, output or outcomes [1].
  - (a) *focused on inputs*. The non-profit sector has been dominated by a result-oriented perspective, leading to performance evaluation frameworks which take into account that non-profits are working under the constraint of budget and resources [60]. Thus, assessing how the inputs have been acquired and used is argued as a key dimension of non-profit sustainability. The main concepts dominating this perspective are resource acquisition and use [61,62] and expenditure [60,63]. Two main approaches derived from this: (1) acquisition and use of resources and preparation of programs and services [61,64]; (2) emphasis on expenditures [60,61,63]. Expenditure-focused measurement is commonly used in the public and non-profit area in grants and contract management [60].
  - (b) *focused on NPO organizational capacity*, centred around developing the non-profit capability to effectively generate outputs or outcomes [27,40,65], by identifying and assessing effective internal processes and structures, developing the required capacity to deliver its products or services, adopt required innovations and adapt its operations to meet changing needs [27]. Various scholars highlight the need for non-profits to improve internal processes that deliver value to their beneficiaries, reduce operating expenses or improve organizational capacity in terms of management and program capacity [65].
  - (c) *focused on NPO output*, centred around the activities of the non-profit, as they relate and contribute to the fulfilment of its mission [31,62–64,66,67]. Output measurement addresses whether non-profit activities achieved the specific targets initially intended [60]. Output measures are important in sustainability measurement as they are being easier and cheaper to monitor than other indicators and are also known to be important drivers of behaviour within the organization [31].
  - (d) *focused on NPO outcome*, centred around non-profit results and substantial changes in the non-profit target group or factors related to target group, such as behaviour or environmental conditions. As such, it looks beyond organizational activities and seeks to assess the impact of these activities on the targeted setting or population [66]. A definition of an outcome is “the state of the target population or the social condition that a program is supposed to have changed” [68]. The different approaches to measuring outcomes in the literature can be broadly grouped into three categories: (1) *behavioural and environmental changes approach*, focusing on the non-profit accomplishment of substantial changes in its target group or an environmental condition [64,69,70]; (2) *customer satisfaction approach*, focusing on measuring the quality of service an NPO is providing by measuring consumer perceptions of quality through satisfaction surveys and customer complaints [61,67,70]. Specific indicators include physical and cultural accessibility, timeliness, courteousness, physical condition of facilities, overall satisfaction, client retention and new client

acquisition [27,71]; (3) *public value accomplishment approach*, which argue that the ultimate value of a non-profit organization should be evaluated by the public values that it produces for society [40,72,73]. It focuses on community-oriented outcomes and broader benefits to society, emphasizing the global contribution of the non-profit. Various studies consider different indicators, such quality of life, well-being, happiness, social cohesion, social inclusion, safety and security, equality, tackling deprivation and social exclusion, promoting democracy and civic engagement [74] or service delivery, innovation, advocacy, individual expression, social capital creation and citizen engagement [73].

For our study, all value generation phases are encompassed in the model used. The output and outcome perspective were also envisaged by dependent variable.

- C. Finally, one last perspective discusses NPO sustainability in terms of *success or failure* [10,31,75–77].
  - (1) *organizational success approach*. Various concepts were used to explain organizational success, including performance, sustainability, viability and even efficiency [26], which led to a rather divergent literature on the topic [78]. While organizational success is simple to understand in the case of for-profit organizations, namely profit maximization [30], profitability and shareholder value [79,80], it cannot be used in the case of non-profits since they have to be assessed in conjunction with a broader array of indicators and various organizational goals [81].

One measure of success is the degree of mission accomplishment [82]. However, the achievement of mission objectives is difficult to measure [83] because NPO goals are often abstract and vague [84]. Simultaneously, rigorous assessment is rather uncommon in NPOs due to a lack of good impact indicators [46]. This is further complicated by the fact that there are NPOs which fail to accomplish their mission but continue to survive since they provide services of public interests which governments or for-profit organizations cannot or are not willing to provide, being as such artificially sustainable [83].

Another one is a balanced financial management, which has become more relevant to NPOs during the past decades [85]. Coupled with an increased marketization of the non-profit sector [86], it makes some scholars consider survival as the ultimate criterion on which NPO success should be evaluated in terms of success and therefore sustainability [9].

Similarly, other indicators are, in various studies, efficiency, social performance, resource acquisition, stakeholder satisfaction and survival [46,65,87].

- (2) *organizational failure approach*. This focus on factors that cause NPOs to fail [10,46], since one definition of organizational failure is that “it occurs when an organization’s ability to compete deteriorates in a way that threatens its viability” [10]. Failure is associated with organizational mortality, exit, decline, bankruptcy or loss of viability [10]. However, there is controversy in assessing organizational failure since, for instance, it is possible that a non-profit close when its mission has been accomplished but this situation is not considered as a failure [88].

For our study, we used previous failure experiences of respondents as the main factor in discussing sustainability perceptions among respondents.

### 3. The Model

#### 3.1. Conceptual Model

For conceptual framework of our study we used *Success Factor Analysis* which is a model for evaluating non-profits organizational sustainability [59]. It comprises a set of organizational attributes and practices which reveals a comprehensive picture of a non-profit sustainability and the full set serves as the structure for non-profits organizational assessment:

- (1) *People*: Policies and practices around the engagement of staff and volunteers, with 8 variables;
- (2) *Business Model*: The economic logic of an organization, with 7 variables;
- (3) *Operations*: Organizational apparatus engaged in administration and service delivery, with 6 variables;
- (4) *Strategy*: Any systematic approach to charting an organization's future business activity, with 6 variables;
- (5) *Culture*: The shared assumptions, beliefs, values, expectations, rules and predominant practices collectively held by members of an organization, with 5 variables. See Table 1.

**Table 1.** Conceptual framework of variables.

Factors	Variables	Description
People	Attribute-skill recruitment balance	Measures recruitment effectiveness
	Job definition clarity	Measures consistency of staff perceived roles and expectations
	Staff support systems	Measures consistency of perceived support across positions
	Clarity of Performance accountability	Measures consistency of clear accountability standards and application of standards across positions
	Staff retention	Measures degree of staff retention for both employees and volunteers
	Board as an external brand	Measures social recognition of board members in the community
	Board contribution to leadership	Measures degree of board involvement in strategic and management decision-making
	Volunteer engagement	Measures degree of non-board volunteer involvement in organization
Business Model	Diversity of revenue sources	Measures number of major revenue sources in the operating budget
	Intentionality of subsidies	Measures level of financial analysis and proactive use of data in service mix decisions
	Issue urgency/priority	Measures relative prominence of non-profit key issues in national and local media
	Earned income contribution to revenue mix	Measures level of annual operating revenues from non-profit service delivery
	Major individual donor contribution to revenue mix	Measures level of annual operating revenues from individual charitable contributions
	Event-based fundraising contribution to revenue mix	Measures level of annual operating revenues from special events
	Board engagement in revenue development	Measures degree of direct board involvement in revenue mix
Operations	Data orientation in operations and decision-making	Measures degree to which data is used in relationship management, administration and decision-making
	Efficiency of operations	Measures cost-efficiency of service delivery
	Quality control systems	Measures service quality performance and, where applicable, system evaluation
	Client-centricity of service	Measures degree of client focus and input into service design
	Training investment	Measures degree of annual operating budget allotted for staff training
	Involvement in advocacy activities	Measures engagement in advocacy activities
Strategy	Clarity of theory of change	Measures articulation between desired change and expected efficacy
	Impact/results goals	Measures level of mission-related results/targets relative to other similar non-profits

Culture	Engagement of external stakeholders	Measures degree and range of stakeholder engagement included as core components of organizational strategy
	Investment in revenue-generation	Measures planned investment in revenue-generation infrastructure and/or personnel
	Formal strategic plan	Measures if organization has adopted a board-approved multi-year strategic plan
	Emphasis on new revenue sources	Measures degree of planned reliance on one or more new revenue sources
	Cohesiveness of philosophy	Measures clarity of organizational philosophy to managers, staff and volunteers
	Business focus overlaying program development, management and operations	Measures degree of cultural integration of business sector practices in non-profit operations
	Predominance of mission-rooted values in management	Measures degree to which core values are incorporated into criteria for decisions and internal processes
	Inclusiveness of decision-making	Measures extent of inclusion staff, board members and stakeholders in strategic decision-making processes
	Change tolerance	Measures degree of board members and staff' response to significant internal and external change events

Adapted from [59].

Our choice for *Success Factor Analysis* model was not easy considering that it has not been extensively tested empirically, with only one study empirically testing it [89]. Our reasons were:

- First, while there are various sustainability frameworks for non-profits [48,90–92], most of them are rather unidimensional. *Success Factor Analysis* is one framework that manage to comprehensively measure sustainability in 5 critical areas of any organizations while being simultaneously specific for non-profits. The framework is more complex than others in terms of variables defined, with 32 variables considered.
- Second, while adapted to non-profit sector, considering specific features like *Involvement in advocacy/systemic change activities*, *Board as distinguished external brand*, *Board contribution to leadership* or *Volunteer engagement*, it is at the same generally enough to be used regardless of non-profit main focus. This is important since most of the sustainability frameworks for non-profits are generally very specific, being suitable for non-profits operating in health, education or community services. Hence, we avoid using for-profit sustainability frameworks, which are definitely well-known but lack specificity to non-profit sector while being generally enough to fit our sample of non-profits focused on various activities.
- Third, we seek to use a framework with incorporates various perspectives of sustainability. As such, *Success Factor Analysis* use financial viability approach and organizational characteristics critical for NPOs sustainability approach and covers all value generation phases.

### 3.2. Context

Non-profit organizations are an important part of Romanian society. One of their most important strategic goal is to ensure own sustainability and long-term survival since their activity is constantly under constant challenges in the last years [3].

With the scarce data available we present Romanian non-profit sector along the sustainability factors of *Success Factor Analysis*.

#### (a) People

Securing qualitative human resources is one of the most important challenges faced by Romanian NPOs. This is directly related to their financial instability [8]. According to a recent study

[93], nearly half of employees in non-profits are younger than 35 years of age (42% between 25 and 34 years), while more than a third are in the range of 35–44 years old, well above occupational structure average [94]. Hence, it is a young labour force that allows increased flexibility, a very important feature since staff fluctuations are very high in the sector [95]. HR fluctuations determine constant job reassignments and changes of responsibilities, coupled with changes in job descriptions. At the same time, most of the NPOs established before 2015 did not managed to hire new members in 2015 (63%) [93].

Simultaneously, a high degree of stability is recorded for management positions (President, CEO, board members). More than a third of Romanian non-profits presidents has been in office for more than 8 years and nearly a quarter of them between 4 and 8 years [95]. Similarly, CEOs in almost a quarter of NPOs the CEOs have been in office for more than 8 years [95]. Usually this is valid for older organizations (established more than 8 years ago) with nearly two-thirds of them employing the same individual as President for more than 8 years. The larger the organization, the less the impact has staff fluctuations since and it is assumed it succeeded in building an organizational culture.

Organizational values dissemination exceeds regular employees to various contributors or fixed-term employees and volunteers. When the non-profit leadership decides to expand the team, the selection of new employees is made primarily by those who have worked with the organization in the past [95], which is a natural posture.

Poor financial situation of many Romanian NPOs is also reflected in staff recruitment criteria: although they are looking for qualified staff, trusted collaborators, specialists, they are fully aware that usually cannot provide the same amount of benefits the state or for-profit organizations do. Hence, on the quality of staff is not a major concern for many non-profits in Romania [93].

In terms of staff selection, usually non-profit leaders have the freedom to choose their collaborators from the level immediately below, which on the long term vulnerabilizes the organization, especially if one of the senior manager decides to leave [93,95].

A staff retention strategy has led some Romanian non-profits to allow some of their employees, usually high skilled ones, to work elsewhere, usually for for-profits but still retain a form of employment for them, like part time of project based [95]. However, for Romanian NPOs to invest in HR is a risky choice, since their staff, once qualified or experienced can leave and hire for a better wage elsewhere. Hence, many non-profits require loyalty. On the other hand, the organizational culture suffers the impact of generational change: young people working in non-profit sector, many having a past experience in volunteering, both local and international, have come up with another way of addressing their responsibilities, closer to the corporate model [95].

Regarding volunteering, in spite of the increase of volunteers' involvement in Romanian non-profits (7% in 2016 compared to 4% in 2010) [95], most Romanians are not involved in any kind of volunteering (more than 90%) [95]. There is a considerable gap between those who claim to have volunteered for church or community (28%) and those involved in non-profit organizations (7%). According to some studies [93], 36% of Romanian non-profits used volunteers in their activities at least once.

#### (b) *Business Model*

In terms of structure of revenue sources and taxation regime, according to the USAID Index of Sustainability of Civil Society Organizations [96], 2014 and 2015 marks a minimal but relevant improvement in the financial sustainability score for Romania non-profit sector. Financing from international sources (European Union agencies or other foreign or international governmental institutions) was the most important source of funding for 34% of organizations, with a significant increase in frequency compared to 2010, supported by: availability of financial resources from European structural funds (especially for 2014–2015) or specific grant mechanisms like SEE or Swiss financial mechanisms.

The evolution of income from economic activities seems to be the most interesting and beneficial for Romanian non-profits. There is a sizeable increase in the frequency, with 31% of Romanian NPOs reporting it in 2015 [95], while for 8% of all non-profits was the main source of income. The situation

is a direct effect of combined national and international sector interventions, like Social Business Initiative at European policy level the adoption of Law 219/2015 about the social economy, promoting financial support.

The main sources of income are analysed by a recent study [93], with the following distribution: 28.99%—grants and non-reimbursable loans, 15.37%—membership fees, contributions both in cash and in kind, 12.42%—resources from the state (both public and local budgets), 9.62%—sponsorship and 7.79%—donations. The share of non-profits registering revenues from aid and non-reimbursable grants dropped significantly while share of fees and contributions, although still in the top of the revenue sources, is following a downward trend. Donations and sponsorships revenues raised, a logical development caused by the need to diversify sources, as well as organizations' efforts for professionalization in terms of fundraising. However, donations are usually small, 50% of NPOs receiving the equivalent of 2000 euros while 25% of non-profits receiving between 2000 and 10,000 euros [93].

Despite the initial difficulties reported in the first years since the introduction of the 2% system of individual donations (according to which any Romanian taxpayer can donate 2% of the amount of income tax earned in the previous year to non-profits acting in the public interest and to religious entities), recent years have proven the potential of this alternative funding source, no less than 65% of non-profits reporting revenue from this source [93], while for 10% of them it was the main source of revenue for 2015. In 2015, 1.82 million Romanian citizens (29% of the total taxpayers) directed 143.4 million ROL through this mechanism [95].

The development of philanthropy in Romania continued the growth trend of the previous years, both from the perspective of private donations and considering fundraising strategies employed by non-profits [95]. In Romania, the factors influencing philanthropic behaviour are difficult to classify. A recent study addressing this topic consider motivation to contribute, confidence in the independence and sustainability of non-profits and fiscal incentives to donate as the most important [97]. The philanthropy index calculated according to the Charity Aid Foundation [97] puts Romania in the second half of the world ranking (rank 93 out of 140 countries), with a steady improvement trend (a raise in ranking from 142 in 2010 to 93 in 2016).

For private donors, unlike European Union practices that allow deductions, in Romania sponsorships or donations do not bring any tax benefits since they are not considered deductible expenses. In terms of sponsorship and mecenate actions, they continue to be regulated by the specific sponsorship Law No. 32/1994, while the fiscal treatment is regulated by the Fiscal Code. Fiscal regime suffered important and contradictory changes. Up until 2015 fiscal regulations allowed the deductibility of sponsorship expenses and taxes under certain conditions, while in 2016 the maximum allowed percentage of deductible turnover was increased from 3 per thousand to 5 per thousand. However, in 2017 a change in the criteria for classifying microenterprises was introduced, substantially restricting the number of companies eligible to use this fiscal facility to sponsor non-profits.

In terms of individual donors, a recent study [95] reconfirms the growing interaction between NPOs and members of the public. In 2016, 20.9% of the population made at least one donation to a non-profit, with the most active being people aged 18–44 and having a higher education degree. In rural areas, 17% of the population made a donation and only 2% benefited from the services of an NPO compared to at least 23% of the urban population who donated but also benefited to a larger extent from NPOs services 4% in cities with 10–49 thousand inhabitants, cities with over 200 thousand inhabitants. Another survey [98] confirms the trends and profile of individual donors, also providing a donor typology: accidental donor (1.5 million individuals, 22 euros on average per donation), constant donor (monthly donations through recurrent payment systems, between 22 and 55 euros/year), activist donor (not only donate but also mobilize others to do the same, 177–288 euros/event) [98].

### (c) Operations

The mission assumed by Romanian NPOs remain the main driving force being most of Romanian NPOs actions and impact. Measuring and documenting the impact on individuals and

communities remains a challenge for the sector [99]. The 2010–2016 period marks an increase in citizens' awareness on non-profit sector (44.9% in 2016 compared to 33.1% in 2010) [95], doubled by an increased level of trust and confidence in non-profits (51.2% in 2016 from 31.9% in 2010).

In terms of decision making, according to one study [93], the most important decisions are made by the Board of Directors (either separately or together with CEO). The general meeting, which usually delegates or empower the board of directors (and further the chairman or executive director), is mentioned by almost a fifth of respondents as the body making the most important decisions. The same study found out that, considering size and financial situation, the role of the board of directors (and secondly that of the CEO) increase. For low revenue NPOs, the role of the president becomes more important (the position of CEO is often lacking in small non-profits).

Various studies have confirmed the existence of differences between Romanian medium and large sized organizations in terms of how strategic decisions are made [93,95,96], with large sized organizations using a more complex and formalized decision-making process while decision-making responsibilities are divided between various structures. Medium organizations place more emphasis on individuals rather, the decision belongs either to the person who has the most recognition in a field, or to those who have more seniority in the organization, usually full-time employees and almost never volunteers [95]. However, for operational decisions, a participatory decisional model is used.

#### (d) *Strategy*

Regarding organizational planning and strategy, they highly depend on the external context and are not constantly pursued by the non-profits. Only half of Romanian non-profits have strategic plans, nearly 40% employ a manual of internal procedures and 36% have volunteer management strategies, one fifth of non-profits develops marketing strategies and human resources strategies and only a quarter have fundraising strategies [95]. Only 16% stated they have no planning or management tool. However, what type of strategy is more important is contrasting.

Depending on the field of activity, more attention is paid to the manual of internal procedures by non-profits providing social services because these are usually larger, while volunteer management strategy is more frequent for youth, education, health and social services non-profits.

Using the size and revenue criterion, most of the non-profits with more than 50 employees or annual revenues over 450,000 lei (equivalent of 100,000 euros) have internal procedures manuals and the frequency of these instruments decreases as revenue and size decreases.

In small non-profits, with a low number of employees but also with limited revenues, strategies are usually exceptions, as there are no specialized departments in their implementation and monetarization while main organizational goal is merely survival. In large sized organizations, the situation is completely opposite: any strategy reflects the organizational mission.

#### (e) *Culture*

In terms of civic involvement, most of Romanian NPOs have advocacy actions targeting national level public decisions, a slight decrease in the last five years [93]. However, their rate of success is low [93]. The most common methods used to influence public policies are public information requests and official requests to organize public debates but overall their frequency decreased in the last 5 years [93].

In terms of methods used to promote their messages, Romanian non-profits use mobilization of members and press releases while participation in Parliament sessions and the organization of demonstrations are the least used due to their low efficiency.

As such, non-profits try to influence public policies by involvement in associative structures. 28% of them are members of national federations, 25% are involved in national networks (25%) while 12% are members of federations at European level [93].

In terms of the relationship of non-profit organizations with mass media, the media is one of the best partners of non-profits in achieving their goals, whether advocacy campaigns or mobilizing the public around important topics for public like fighting discrimination or environmental protection [95]. Online is the most common used space for promotion their messages, while traditional media is not attractive due to cost, barriers (political or financial) and target groups. In the latest NGO

Leadership Barometer (2016) [93], almost half of surveyed NPOs stated that mass media is involved in promoting their organizations' activities, while one third of frequently use press releases to make their messages public and their stance towards public policies. In practice, however, a small number of organizations have the capacity to promote their ideas on the public agenda. Almost half of the respondents believe that the Romanian mass media offer the opportunity to debate public policies while there are instances when non-profits are among founders or developed specific partnerships with mass media institutions [93].

## 4. Materials and Methods

### 4.1. Variables

#### 4.1.1. Independent Variables

For the empirical study, each *Success Factor Analysis* variable was transformed into a statement. See Table 2.

**Table 2.** Conceptual framework.

Success Factors	Variables	Statement in Our Survey	Measurement
People	Attribute-skill recruitment balance	In my organization, recruitment is effective and balanced	1 = Strongly disagree; 2 = Disagree; 3 = Neutral; 4 = Agree; and 5 = Strongly agree
	Job definition clarity	In my organization, job descriptions are clear and easy understandable	1 = Strongly disagree; 2 = Disagree; 3 = Neutral; 4 = Agree; and 5 = Strongly agree
	Staff support systems	In my organization, there are staff support systems employed	1 = Strongly disagree; 2 = Disagree; 3 = Neutral; 4 = Agree; and 5 = Strongly agree
	Clarity of Performance accountability	In my organization there are clear accountability standards and these are employed across positions	1 = Strongly disagree; 2 = Disagree; 3 = Neutral; 4 = Agree; and 5 = Strongly agree
	Staff retention	In my organization staff retention, for both employees and volunteers, is a priority	1 = Strongly disagree; 2 = Disagree; 3 = Neutral; 4 = Agree; and 5 = Strongly agree
	Board as an external brand	In my organization CEO and board members are an external brand of organization, being recognized as such in the community	1 = Strongly disagree; 2 = Disagree; 3 = Neutral; 4 = Agree; and 5 = Strongly agree
	Board contribution to leadership	In my organization board involvement in strategic and management decision-making is instrumental in results	1 = Strongly disagree; 2 = Disagree; 3 = Neutral; 4 = Agree; and 5 = Strongly agree
	Volunteer engagement	In my organization volunteer engagement is high	1 = Strongly disagree; 2 = Disagree; 3 = Neutral; 4 = Agree; and 5 = Strongly agree
Business Model	Diversity of revenue sources	In my organization there is a diversity of revenue sources in the operating budget	1 = Strongly disagree; 2 = Disagree; 3 = Neutral; 4 = Agree; and 5 = Strongly agree
	Intentionality of subsidies	In my organization sound financial analysis is employed, relying on a proactive use of data in decision process	1 = Strongly disagree; 2 = Disagree; 3 = Neutral; 4 = Agree; and 5 = Strongly agree
	Issue urgency/priority	There is a clear awareness of key issues advocated by my organization in media or public agenda	1 = Strongly disagree; 2 = Disagree; 3 = Neutral; 4 = Agree; and 5 = Strongly agree
	Earned income contribution to revenue mix	There is a large share of my organization annual operating revenues coming from service delivery	1 = Strongly disagree; 2 = Disagree; 3 = Neutral; 4 = Agree; and 5 = Strongly agree
	Major individual donor contribution to revenue mix	In my organization there are major individual donor contributions to revenue mix	1 = Strongly disagree; 2 = Disagree; 3 = Neutral; 4 = Agree; and 5 = Strongly agree

	Event-based fundraising contribution to revenue mix	In my organization there are event-based fundraising contributions to revenue mix	1 = Strongly disagree; 2 = Disagree; 3 = Neutral; 4 = Agree; and 5 = Strongly agree
	Board engagement in revenue development	In my organization there is a direct board involvement in revenue generation	1 = Strongly disagree; 2 = Disagree; 3 = Neutral; 4 = Agree; and 5 = Strongly agree
Operations	Data orientation in operations and decision-making	In my organization there is common practice to use data in management of operations and decision-making	1 = Strongly disagree; 2 = Disagree; 3 = Neutral; 4 = Agree; and 5 = Strongly agree
	Efficiency of operations	In my organization monitoring cost-efficiency of service delivery is common practice	1 = Strongly disagree; 2 = Disagree; 3 = Neutral; 4 = Agree; and 5 = Strongly agree
	Quality control systems	In my organization there are quality control systems to assess quality performance	1 = Strongly disagree; 2 = Disagree; 3 = Neutral; 4 = Agree; and 5 = Strongly agree
	Client-centricity of service	In my organization there is a focus on client and its inputs are incorporated in services	1 = Strongly disagree; 2 = Disagree; 3 = Neutral; 4 = Agree; and 5 = Strongly agree
	Training investment	In my organization there are investments allotted to staff training	1 = Strongly disagree; 2 = Disagree; 3 = Neutral; 4 = Agree; and 5 = Strongly agree
	Involvement in advocacy activities	My organization is involved in advocacy and systemic change activities	1 = Strongly disagree; 2 = Disagree; 3 = Neutral; 4 = Agree; and 5 = Strongly agree
Strategy	Clarity of theory of change	In my organization there is a clear articulation between desired change and expected efficacy	1 = Strongly disagree; 2 = Disagree; 3 = Neutral; 4 = Agree; and 5 = Strongly agree
	Impact/results goals	In my organization there are clear specifications of mission-related results and targets relative to organizational values	1 = Strongly disagree; 2 = Disagree; 3 = Neutral; 4 = Agree; and 5 = Strongly agree
	Engagement of external stakeholders	My organization rely on external stakeholders' engagement, which are included as core components of organizational strategy	1 = Strongly disagree; 2 = Disagree; 3 = Neutral; 4 = Agree; and 5 = Strongly agree
	Investment in revenue-generation	My organization has plans to invest in revenue-generation infrastructure and personnel	1 = Strongly disagree; 2 = Disagree; 3 = Neutral; 4 = Agree; and 5 = Strongly agree
	Formal strategic plan	My organization has adopted a board-approved multi-year strategic plan	1 = Strongly disagree; 2 = Disagree; 3 = Neutral; 4 = Agree; and 5 = Strongly agree
	Emphasis on new revenue sources	In my organization there is an emphasis on new revenue sources	1 = Strongly disagree; 2 = Disagree; 3 = Neutral; 4 = Agree; and 5 = Strongly agree
Culture	Cohesiveness of philosophy	In my organization there is a clear organizational philosophy among managers, staff and volunteers	1 = Strongly disagree; 2 = Disagree; 3 = Neutral; 4 = Agree; and 5 = Strongly agree
	Business focus	In my organization exists a cultural integration of business practices in operations	1 = Strongly disagree; 2 = Disagree; 3 = Neutral; 4 = Agree; and 5 = Strongly agree
	Predominance of mission-rooted values in management	In my organization there is an integration of mission-rooted core values in decisions and internal processes	1 = Strongly disagree; 2 = Disagree; 3 = Neutral; 4 = Agree; and 5 = Strongly agree
	Inclusiveness of decision-making	In my organization there is a high level of inclusiveness in decision-making	1 = Strongly disagree; 2 = Disagree; 3 = Neutral; 4 = Agree; and 5 = Strongly agree
	Change tolerance	In my organization there is a high degree of board members and staff' response to significant internal and external change events	1 = Strongly disagree; 2 = Disagree; 3 = Neutral; 4 = Agree; and 5 = Strongly agree

Source: [59].

#### 4.1.2. Dependent Variable

In our study, dependent variable was *Organizational Sustainability*. It was considered in one of our previous studies [3] and considered relevant for Romanian context. A multidimensional variable, it is a mix of 2 output and outcome of non-profits, economic and social [3]. See Table 3.

**Table 3.** Dependent variable.

Result	Factor	Variables	Measurement
Organizational Sustainability	Economic results	Continuous activity	1 = Strongly disagree; 2 = Disagree; 3 = Neutral; 4 = Agree; and 5 = Strongly agree
		High degree of autonomy	1 = Strongly disagree; 2 = Disagree; 3 = Neutral; 4 = Agree; and 5 = Strongly agree
		Significant economic risks	1 = Strongly disagree; 2 = Disagree; 3 = Neutral; 4 = Agree; and 5 = Strongly agree
		Small number of employees	1 = Strongly disagree; 2 = Disagree; 3 = Neutral; 4 = Agree; and 5 = Strongly agree
	Social results	Explicit scope and mission	1 = Strongly disagree; 2 = Disagree; 3 = Neutral; 4 = Agree; and 5 = Strongly agree
		Budget and financial transparency	1 = Strongly disagree; 2 = Disagree; 3 = Neutral; 4 = Agree; and 5 = Strongly agree
		Decision making is not based on NPO equity	1 = Strongly disagree; 2 = Disagree; 3 = Neutral; 4 = Agree; and 5 = Strongly agree
		Stakeholder involvement in financial decisions	1 = Strongly disagree; 2 = Disagree; 3 = Neutral; 4 = Agree; and 5 = Strongly agree
		High number of volunteers	1 = Strongly disagree; 2 = Disagree; 3 = Neutral; 4 = Agree; and 5 = Strongly agree

All items were extracted from studies addressing non-profit sustainability [31,46,53,84–86,100]. For the *Small number of employees* variable we used a previous study on Romanian non-profits [101], which allow us to consider that, if the NPO has less than 10 employees in the last year will receive a 0 on measurement scale and, conversely, 1 for the other instance. Similarly, based on the same study [101], if they used less than 25 volunteers in the previous year will receive 0 and conversely 1 for the other instance.

*Organizational Sustainability* incorporates 2 core elements of any non-profit viability: *Economic results* with 50% weight in calculating result; *Social results* with a similar 50% weight. The rating system for the 2 core elements parallels the five-point scale of *Success Factor Analysis*.

#### 4.2. Sampling

The sample for our research was selected from Romanian non-profits. The initial selection of the sample was based on 4 criteria:

- all selected participants have to be non-profits CEOs or board members.* In our opinion, the most pertinent opinions on how sustainable an organization come from those directly involved in its decision making.
- availability* (willingness to participate in the study). When we contacted NPOS representatives, we found out that some of them were reluctant to get involved in the study, contact data for some of them was outdated etc. Therefore, convenience sampling was used based on whether we could access the participants and their willingness to answer our questions.
- overall experience of respondents.* All respondents had to work for at least 5 years in the non-profit sector. We consider this timeframe as adequate to allow a non-profit to prove its viability, for each respondent to have the chance to experience failure.

Questionnaires were administered to 89 individuals from 46 non-profits. In the end, we had 81 valid questionnaires from 42 non-profits. The sample structure is presented in Table 4.

**Table 4.** The sample structure.

Characteristics	Share in the Sample	
NPO age (years)	Less than 5 years old	14.29%
	5–10 years	26.19%
	10–15	35.71%
	15–20	16.67%
	Over 20	7.14%
NPO size (employees and volunteers)	<10	28.57%
	10–49	52.38%
	>50	19.05%
NPO location (county) *	Argeş	16.67%
	Călăraşi	9.52%
	Dâmboviţa	16.67%
	Giurgiu	14.29%
	Ialomiţa	11.90%
	Prahova	19.05%
	Teleorman	11.90%
Respondent seniority as CEO or board member (years) (not necessarily in the same organization)	Less than 5 years	35.80%
	5–10 years	45.68%
	10–15 years	9.88%
	>15 years	8.64%
Respondent position in organizational hierarchy	CEO	72.84%
	Board member	27.16%
Respondent education **	ISCED 4 or less	3.70%
	ISCED 5 and 6	83.95%
	ISCED 7 or more	12.35%
Previously failure experienced ***	Yes	51.85%
	No	48.15%

\* Romania is divided in 8 development regions (NUTS 2 regions), comprising smaller administrative divisions called counties. Our study was performed in one of the NUTS regions, namely South-Muntenia, which includes 7 counties: Argeş, Călăraşi, Dâmboviţa, Giurgiu, Ialomiţa, Prahova and Teleorman. \*\* ISCED = International Standard Classification of Education. ISCED 4 or less is roughly equivalent up to post-secondary non-tertiary education. ISCED 5 and 6 is equivalent to short-cycle tertiary education and bachelor or equivalent. ISCED 7 or more represent master or doctoral. \*\*\* For “previously failure experienced” respondents were asked to choose one of the 2 instances. For failure, two instances were considered: mortality or exit.

#### 4.3. Data Collection

Initially, we performed questionnaire validation through face-to-face interviews with CEOs from 6 non-profits, using open interviews. The interviews were conducted in early September and lasted on average half an hour. Altogether, 10 people were involved. The purpose of interviewing them was to identify potential problems in questions formulation. Based on the interviews, we made small adjustments to questionnaire and distributed it to the respondents via email.

#### 4.4. Scale Validation

Exploratory factor analysis (EFA) with varimax rotation was applied for assessing the validity of the measurement scales. Table 5 shows rotated factor loadings and reliability tests for all variables.

All items considered had factor loadings of 0.65 or higher, the acceptable threshold for samples of our size [102], thereby indicating satisfactory levels of convergence and discriminant validity.

**Table 5.** Survey questions and scale validation.

<b>Factor 1. People</b>	<b>Factor Loadings</b>	<b>Cronbach's <math>\alpha</math></b>
In my organization, recruitment is effective and balanced	0.837	0.842
In my organization, job descriptions are clear and easy understandable	0.809	
In my organization, there are staff support systems employed	0.722	
In my organization there are clear accountability standards and these are employed across positions	0.793	
In my organization staff retention, for both employees and volunteers, is a priority	0.889	
In my organization CEO and board members are an external brand of organization, being recognized as such in the community	0.815	
In my organization board involvement in strategic and management decision-making is instrumental in results	0.837	
In my organization volunteer engagement is high	0.902	
<b>Factor 2. Business Model</b>	<b>Factor Loadings</b>	<b>Cronbach's <math>\alpha</math></b>
In my organization there is a diversity of revenue sources in the operating budget	0.769	0.749
In my organization sound financial analysis is employed, relying on a proactive use of data in decision process	0.809	
There is a clear awareness of key issues advocated by my organization in media or public agenda	0.756	
There is a large share of my organization annual operating revenues coming from service delivery	0.869	
In my organization there are major individual donor contributions to revenue mix	0.709	
In my organization there are event-based fundraising contributions to revenue mix	0.726	
In my organization there is a direct board involvement in revenue generation	0.763	
<b>Factor 3. Operations</b>	<b>Factor Loadings</b>	<b>Cronbach's <math>\alpha</math></b>
In my organization there is common practice to use data in management of operations and decision-making	0.942	0.893
In my organization monitoring cost-efficiency of service delivery is common practice	0.869	
In my organization there are quality control systems to assess quality performance	0.809	
In my organization there is a focus on client and its inputs are incorporated in services	0.856	
In my organization there are investments allotted to staff training	0.784	
My organization is involved in advocacy and systemic change activities	0.832	
<b>Factor 4. Strategy</b>	<b>Factor Loadings</b>	<b>Cronbach's <math>\alpha</math></b>
In my organization there is a clear articulation between desired change and expected efficacy	0.746	0.816
In my organization there are clear specifications of mission-related results and targets relative to organizational values	0.806	
My organization rely on external stakeholders' engagement, which are included as core components of organizational strategy	0.912	
My organization has plans to invest in revenue-generation infrastructure and personnel	0.851	
My organization has adopted a board-approved multi-year strategic plan	0.811	
In my organization there is an emphasis on new revenue sources	0.816	
<b>Factor 5. Culture</b>	<b>Factor Loadings</b>	<b>Cronbach's <math>\alpha</math></b>

In my organization there is a clear organizational philosophy among managers, staff and volunteers	0.869	0.895
In my organization exists a cultural integration of business practices in operations	0.783	
In my organization there is an integration of mission-rooted core values in decisions and internal processes	0.856	
In my organization there is a high level of inclusiveness in decision-making	0.792	
In my organization there is a high degree of board members and staff' response to significant internal and external change events	0.765	

## 5. Results and Discussion

To establish the presence and strength of relationships among study variables, we calculated Spearman correlation coefficients between each variable for each of the 5 factors and dependent variable, *Organizational sustainability*, overall and for each sub-sample. Rho is the Spearman correlation coefficient, showing the association between a factor and *Organizational sustainability*;  $\mu$  is the arithmetic mean rating (on the 1–5 scale); p is the p-value statistic; a low p value indicates a low likelihood that no association exists between the factor and the dependent variable. Table 6 summarize overall results and for both sub-samples. However, one should consider that the correlations does not imply causations

Overall, the results were mixed. There is no factor among the 5 considered except partially *Strategy* which showed significant positive correlations for a majority of its constituent variables.

For **People**, only *Clarity of performance accountability* had a largely positive correlation while *Staff retention* showed a medium correlation. Romanian non-profits leadership seems to be concerned by consistency of clear accountability standards for their employees and their enforcement across positions in the organization. It is well known that, contrary to for-profit organizations, non-profits employees usually have to perform various due to project based activity of their organization. Use of volunteers or part-time employees also make difficult to assess individual performance. This finding is corroborated by another study performed by authors [3] which concludes that HR Management was not important in addressing Romanian NPO sustainability while other studies provides different results [59,103,104] contribute to NPO success. In terms of staff retention, the results are in line with other studies [105,106].

**Business Model** factor provides most variables positively correlated with *Organizational Sustainability*, namely Diversity of revenue sources, Intentionality of subsidies and Major individual donor contribution to revenue mix. If we look at its constituent variables, we conclude that it comprises most of the financial indicators of a non-profit. Hence, the result is somehow logical and in line with other studies [47,53,54,59].

For **Operations**, only 2 variables displayed large positive correlations: *Data orientation in operations and decision-making* and *Efficiency of operations*. Surprisingly, the second has a weaker correlation than the first. These results corroborate other studies [87,107,108]. However, lack of correlations for other variables like *Client-centricity of service* or *Involvement in advocacy activities* are not supported by other studies [3].

Various studies link **Strategy** and strategic planning with sustainability in terms of organizational success and failure [100–110]. Our findings partially support the results of these studies, since Romanian NPOs leadership consider *Impact/results goals* and *Investment in revenue-generation* as important in ensuring *Organizational sustainability*. In fact, most of the variables associated with *Strategy* are correlated with dependent variable. The existence of a formal strategic plan is partially confirmed by our study, while simultaneously non-profits CEOs rely on engagement of external stakeholders and identification of new revenue sources. This last finding is corroborated by other studies [3,59].

Finally, **Culture** factor received mixed results. Organizational culture is among the factors explaining NPO success [111,112]. We found medium correlations of *Cohesiveness of philosophy*, *Business focus* and *Predominance of mission-rooted values in management*.

Overall, variables linked with Strategy and Business Model were considered by the respondents as better explaining organizational sustainability, Culture provide mixed results, while People and surprisingly Operations have poorest perceptions among Romanian NPOs leadership.

Different results emerged when we analysed the sub-samples. Those which previously experienced failures understand as important factors and variables associated with business practices, in line with marketization of non-profits, clear accountability of performance and a long-term approach, while for those which does not experienced failure a short-term approach, focused more on operations and people is more common. In terms of culture, results are mixed since both samples focus on a relative similar number of items, even though the variables themselves are different among sub-samples.

Considering **People** factor, respondents which not experienced failure greatly emphasize its role on *Organizational sustainability*, 5 out of 8 variables considered—*Attribute-skill recruitment balance*, *Job definition clarity*, *Clarity of performance accountability*, *Staff retention* and *Board contribution to leadership*—being significant, while for the other sub-sample only 2 variables—*Clarity of performance accountability* and *Staff retention*—proved significant. The members of the second sub-sample are concerned of clear measurement indicators and performance assessment and staff retention fit this criterion.

In term of **Business Model** factor, this time the respondents which experienced failure considered it important in terms of sustainability and success, 5 out of 7 variables considered—*Diversity of revenue sources*, *Intentionality of subsidies*, *Earned income contribution to revenue mix*, *Major individual donor contribution to revenue mix* and *Board engagement in revenue development*—being significant, while for the other sub-sample only 2 variables—*Diversity of revenue sources* and *Intentionality of subsidies*—prove significant. The results show a focus on financial dimension of non-profit management, since most of the items in the factor address financial viability on non-profit.

For **Operations** factor, respondents which not experienced failure assess its role on *Organizational sustainability* as important, with 4 out of 6 items—*Data orientation in operations and decision-making*, *Efficiency of operations*, *Quality control systems* and *Training investment*—being significant, while for the other sub-sample only 2 variables—*Efficiency of operations* and *Client-centricity of service*—proving significant. It shows a short-term orientation for the respondents in the first sub-sample.

The second-subsample respondents, on the contrary, adopt a long-term approach. In terms of **Strategy**, the respondents which experienced failure pay attention, 5 out of 6 variables considered—*Clarity of theory of change*, *Impact/results goals*, *Investment in revenue-generation*, *Formal strategic plan* and *Emphasis on new revenue sources*—being significant, while for the other sub-sample 3 variables—*Impact/results goals*, *Engagement of external stakeholders* and *Investment in revenue-generation*—prove significant.

Finally, for **Culture** factor, the results are more balanced, with respondents which not experienced failure ranking 3 out of 5 variables considered—*Cohesiveness of philosophy*, *Predominance of mission-rooted values in management* and *Inclusiveness of decision-making*—as significant, while CEOs and board members of the sub-sample 2 variables—*Business focus* and *Predominance of mission-rooted values in management*—prove significant.

**Table 6.** Correlations between variables and *Organizational sustainability*.

Factor	Overall				Respondents That Did Not Experience Failure				Respondents Which Experienced Failure			
	Spearman Rho	p-Value	μ	Std. Dev.	Spearman Rho	p-Value	μ	Std. Dev.	Spearman Rho	p-Value	μ	Std. Dev.
<b>Factor 1. People</b>												
Attribute-skill recruitment balance	0.60	0.23	2.12	1.0	0.68	0.04	3.0	0.7	0.53	0.4	3.0	1.3
Job definition clarity	0.61	0.16	2.30	0.7	0.73	<0.001	3.8	0.5	0.50	0.3	3.7	0.9
Staff support systems	0.63	0.19	1.96	0.9	0.47	0.3	3.1	0.9	0.78	0.08	3.1	0.9
Clarity of performance accountability	0.78	<0.001	2.00	0.7	0.78	<0.001	3.4	0.6	0.78	<0.001	3.8	0.7
Staff retention	0.64	0.02	1.95	0.7	0.74	<0.001	3.3	0.6	0.54	0.03	3.3	0.7
Board as an external brand	0.14	0.60	1.91	1.0	0.18	0.5	3.1	1.3	0.11	0.7	3.1	0.8
Board contribution to leadership	0.34	0.18	1.83	1.0	0.37	0.05	2.4	0.7	0.31	0.3	2.4	1.3
Volunteer engagement	0.17	0.70	2.00	1.5	0.23	0.6	2.1	1.1	0.11	0.8	2.1	1.9
<b>Factor 2. Business Model</b>												
Diversity of revenue sources	0.76	<0.001	2.36	1.0	0.81	<0.001	3.6	0.7	0.71	<0.001	3.9	1.2
Intentionality of subsidies	0.70	<0.001	2.16	1.2	0.70	<0.001	3.3	1.3	0.70	<0.001	2.7	1.1
Issue urgency/priority	0.10	0.34	1.97	1.2	0.10	0.5	2.9	1.4	0.10	0.2	2.9	1.1
Earned income contribution to revenue mix	0.20	0.10	2.36	1.3	0.20	0.2	3.5	1.2	0.20	<0.001	3.5	1.3
Major individual donor contribution to revenue mix	0.39	0.05	1.92	1.1	0.39	0.1	2.7	1.0	0.39	<0.001	2.7	1.2
Event-based fundraising contribution to revenue mix	0.15	0.25	1.48	1.2	0.15	0.4	2.0	1.5	0.15	0.12	2.0	1.0
Board engagement in revenue development	0.16	0.22	1.58	1.2	0.18	0.4	2.2	1.4	0.15	0.05	2.2	1.0
<b>Factor 3. Operations</b>												
Data orientation in operations and decision-making	0.73	0.05	1.91	0.9	0.73	<0.001	3.0	0.8	0.73	0.1	2.8	0.9
Efficiency of operations	0.30	<0.001	1.79	0.3	0.30	<0.001	3.4	0.4	0.30	<0.001	4.2	0.3
Quality control systems	0.78	0.10	1.91	1.1	0.78	<0.001	2.9	1.2	0.78	0.2	2.9	1.0
Client-centricity of service	0.07	0.24	1.84	0.6	0.07	0.5	3.4	0.9	0.07	<0.001	4.3	0.4
Training investment	0.63	0.16	1.96	0.8	0.63	<0.001	3.1	0.6	0.63	0.3	3.1	0.9
Involvement in advocacy activities	0.16	0.40	1.98	1.3	0.16	0.3	2.6	1.1	0.16	0.5	2.6	1.4
<b>Factor 4. Strategy</b>												
Clarity of theory of change	0.66	0.14	2.11	1.1	0.66	0.3	3.2	1.0	0.66	<0.001	3.1	1.1
Impact/results goals	0.74	<0.001	1.84	0.5	0.74	<0.001	3.4	0.6	0.74	<0.001	4.4	0.4
Engagement of external stakeholders	0.48	0.18	2.47	1.3	0.48	0.05	3.4	1.0	0.48	0.3	3.4	1.6
Investment in revenue-generation	0.79	<0.001	1.70	0.7	0.73	<0.001	3.0	0.9	0.85	<0.001	4.2	0.5
Formal strategic plan	0.40	0.12	1.62	1.0	0.42	0.22	2.4	1.2	0.39	0.03	3.7	0.9
Emphasis on new revenue sources	0.15	0.19	1.92	0.9	0.18	0.4	2.8	0.7	0.13	<0.001	3.8	1.1
<b>Factor 5. Culture</b>												
Cohesiveness of philosophy	0.36	0.08	2.30	0.9	0.4	<0.001	3.6	0.7	0.33	0.16	2.2	1.1
Business focus	0.56	0.08	1.71	0.8	0.3	0.16	2.9	1.0	0.80	<0.001	3.9	0.6
Predominance of mission-rooted values in management	0.07	0.03	2.40	0.9	0.05	0.07	3.9	0.8	0.09	<0.001	3.7	1.0
Inclusiveness of decision-making	0.11	0.24	1.97	1.2	0.11	0.07	2.7	1.0	0.11	0.4	2.7	1.3
Change tolerance	0.01	0.33	2.16	1.0	0.01	0.14	3.3	0.8	0.01	0.5	3.1	1.1

## 6. Conclusions

This study synthesizes various perspectives of non-profit sustainability and empirically test the perceptions of CEOs and board members on it. Hence, our study offers scholars and practitioners a more holistic framework within which to position and critically assess what is important in managing a non-profit organization (NPO) and how previous experiences of top managers in terms of success or failure alter their perspective.

Are previous failures important in how those involved in managing a non-profit and ultimately responsible for its fate, tackle sustainability? Our study results are positive. There are clear distinctions between those managers which failed before and those which have not. The most important result, in our opinion, is a change of perspective: more long-term actions, more strategy, a clear business model with a sound financial approach.

Since most of sustainability frameworks are unidimensional [113], our study uses a multidimensional holistic approach to enable non-profits leadership a comprehensive view of organizational sustainability. While there is a growing literature focused on understanding NPOs specific indicators for sustainability [114–118] little is known about what Presidents, CEOs or Board members really consider important for their organizations. This study fills this gap by providing insights on this topic.

The implications of this study are twofold: first, it may assist CEOs and board members of NPOs in assessing and choosing the most relevant factors to improve their organizations sustainability; secondly, it lays the foundations for a more thorough research on Romania's non-profit sector, based on our findings.

In terms of limitations, the lack of straightforward data for actual results of sampled NPOs is a minus. Studies involving perceptions on failure are difficult since each respondent may feel it differently, so their emotions may influence the answers. Finally, the small sample is also a limitation.

For future research, further tests on validity of sustainability conceptualizations and findings must be performed since sustainability determinants or variables may vary considerably among non-profits activities. For instance, Helmig et al. (2011) [85] highlight the importance of replication studies in NPO research. There are scholars [2] arguing that generalization of results regarding NPO sustainability are limited while universally valid determinants of success and failure cannot be extracted from investigations.

Finally, research on NPO sustainability should consider both internal and environmental variables. Environmental variables will influence or at least moderate the relationship between internal setting and organizational sustainability.

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