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Diaconia University of Applied Sciences
Degree Program in Social Services
Bachelor of Social Services
Thesis, 2020

NON-PROFIT SUSTAINABILITY: A CASE STUDY OF MONALIIKU RY

ABSTRACT

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52 pages and 2 Appendixs
November 2020
Diaconia University of Applied Sciences
Bachelor's Degree programme in Social Services
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This thesis aims to study the sustainability of non-profit organizations in the context of Finland in the form of a case study of Monaliiku Ry. The thesis explores different challenges of the non-profit organization that poses a threat to its sustainability. Furthermore, this thesis also seeks to understand different strategies to achieve financial and programmatic sustainability and how an organization's projects and activities aid in its sustainability.

The data is collected through a qualitative approach using a semi-structured interview. Moreover, materials such as Monaliiku's website, annual report, and handbook are also used as additional resources. The collected data were analysed using a thematic approach.

The main finding of this thesis shows that Monaliiku has faced similar challenges as presented in the SOFT model, and the work-life partner has implemented strategies such as revenue and donor diversification, partnership, need-focused projects, adaptability, and impact measurement to offset such challenges. The dual-bottom line matrix of Monaliiku shows that the mission impact and profitability created by the projects and activities have been successful in aiding the organization's sustainability. This thesis also points that projects and activities of non-profit organizations should be designed in a way that creates a balance between financial and programmatic sustainability by giving equal importance to both mission impact and profitability.

Keywords: Non-profit, non-profit sustainability, financial sustainability, programmatic sustainability

CONTENTS

1 INTRODUCTION

The study of a non-profit organization's sustainability is a new and increasingly notable topic of interest in today’s world (Valentinov & Vacekova 2015). Non-profit organizations are agents that strengthen society by targeting a broad dimension of the socio-economic sector and creating a social impact (Valentinov & Vacekova 2015). One non-profit organization may remain viable and resilient, while another may struggle, even while both are operating in the same environment because all non-profit organizations operate in a complex environment, which contains significant challenges. (York, n.d.). Therefore, like any other organization or institution, a non-profit organization must also build a sustainable strategy to overcome the obstacles.

Many researchers seem to be curious about a straightforward question of why and how, in terms of non-profit sustainability. Bell, Mosaoka, and Zimmerman (2010) emphasize that sustainability can be created through the integration of financial and social impact. York (n.d.) identifies leadership, adaptability, and program capacity to be the main sustainability elements. In this thesis, the author explored the concept of sustainability of non-profit organizations by evaluating programs and projects in terms of financial and programmatic sustainability. The research questions that this thesis aims to answer are: 1) What are Monaliiku’s sustainable strategies? 2) How do Monaliiku’s projects and activities aid in the organization’s sustainability?

This research focuses on the sustainability of non-profit organizations in the context of Finland in the form of a case study of Monaliiku Ry. Through the case study, the author seeks to understand the different challenges of the non-profit organization that poses a threat to its sustainability. The case study is also used to understand various steps of why and how to implement the strategies to achieve financial and programmatic sustainability.

This thesis is qualitative research done in collaboration with Monaliiku Ry. The research begins with an in-depth study of existing literature, which aims to define a non-profit organization and analyse the theories by exploring different models that clarify the importance of non-profit organizations. The research then moves forward to comprehend and explain the concept of non-profit sustainability, its various elements, and also its significance. With the help of a dual bottom-line matrix, the work-life partner's projects and activities are categorized and evaluated to observe how the organization’s programs are interrelated and align with its sustainable strategy.

The research of relevant materials, several interview sessions with the interviewee from Monaliiku Ry, along with additional materials from a work-life partner are used as relevant data. The data analysis is done using the thematic approach of Braun and Clarke (2006). This thesis is applicable to any new and existing non-profit organization to understand the literature of non-profit sustainability, define challenges and understand the balance between programmatic and financial sustainability of the organization, which in return help to formulate a sustainable strategy.

2 BACKGROUND

This chapter provides the context of the thesis, which begins with a detailed exploration of a brief history of non-profit organizations in Finland. As the case study is based in Finland, understanding the situation and history of non-profit organizations in Finland was necessary to further understand the operations of the work-life partner. The growth of volunteerism and paid workers in the non-profit sector is also explored in this chapter. Along with that, the laws and legislation for non-profit sectors in Finland, such as Association Act, Constitution Act, and Fundraising Act, are discussed. Furthermore, an introduction to the work-life partner, its operations, projects, and activities is presented in this chapter.

2.1 A brief about Non-profit organizations in Finland

The number of non-profit organizations in Finland is increasing every year. In 2017, 30 new non-profit association, in 2018, 48 and in 2019, 49 new non-profit associations were registered (Finnish Patent and Registration Office). Within three years, 127 new non-profit organizations were registered in the Finnish non-profit sector. This would mean a growing competition among non-profit organizations and between different actors regarding funding and providing quality services (European Commission 2010). It is also highlighted that many non-profit organizations heavily depend on project-based funding, which negatively impacts some organizations in their long-term planning (European Commission 2010).

Non-profit organization plays a significant role in providing welfare services in Finland (Sillanpää et al. 2010). The “third sector” is the widely used term for a non-profit organization in Finland. Non-profit and non-government organizations in Finland have a long history of more than 100 years. Vamlas is a non-government organization working since 1889 to promote the social inclusion of children and children with disabilities (Vamlas. History of Vamlas: Association for Relief of Limb Disorders 1889). However, their importance and number grew significantly with the E.U.'s support after the 1990s recession when Finnish trade with Russia collapsed, and a Finnish banking crisis happened (Helander & Sundback 1998). In the late 1990s, there was a change from the “welfare state” to the “welfare society” (Ruuskanen & Selander 2016). As a result, the importance of third sector organizations increased drastically in welfare formation. With a population of only 4.9 million in the 1990s (World meter), Finland suffered greatly due to the recession, which had led to intolerable social problems; about half a million people were unemployed and were in a massive economic crisis. Thus, the third sector was a solution to solve some aspects of this problem, especially addressing large-scale unemployment (Helander & Sunback 1998.)

The European Commission (2010, 84) reported that there were 127000 registered associations and 30000 unregistered associations and citizen groups. Registered non-profit associations in Finland operate the task in the field of social and health affairs, leisure activities, culture, immigrant integration, and many more. According to the Finnish Patent and Registration Office (PRH), it is estimated that more than 90% of associations are involved in some kinds of social activity. The third sector in Finland aims to pursue different goals, such as new employment opportunities and innovation of public services (Ruuskanen et al. 2016).

The non-profit organization in Finland combines both volunteers and employees in a synergetic manner (Sillanpää et al. 2010). There has been an increase in the importance of both professionals and paid workers in the third sector in Finland, even if they are built on a voluntary basis (Ruuskanen et al. 2016). Since then, employment opportunities have increased significantly, especially in social services. 62% of paid employment increased in third sector organizations since the mid-1990s (Selander & Ruuskanen 2016). According to Ruuskanen et al. (2016), there were 77,000 full-time workers in the third sector, equivalent to 5 percent of the total employment in the Finnish economy.

An increase in the number of volunteers is seen in Finland after the 1990s recession, mostly in the social and health services field, as municipalities' responsibilities increased due to the budget cuts (European Commission

2010). European Commission (2010) also noted that 70%-80% of the Finnish population had become a member of voluntary organizations in their lifetime. Helander and Laasonen (1999) estimated that the ordinary Finnish people were a member of three various organizations (European Commission 2010). The volunteers in Finland are mostly active in the area of a non-profit sector, such as sports, social and health organizations, youth centers, religious groups, and other community activities. The involvement of volunteers and the volunteer sector has played a crucial role in providing services. Moreover, the importance of the volunteer sector has increased, in particular, in social and welfare services in today's Finnish community (European Commision 2010, 21-22). This shows the positive attitude of Finnish population towards non-profit organizations.

2.2 Legislation of non-profit organizations in Finland

In Finland, anyone, including foreigners without Finnish citizenship, can start a registered non-profit organization for a social cause (InfoFinland 2019). However, the chairman and the deputy chairman of the organization must have residence in Finland in such a case. The Association Act and Constitution Act of Finland plays a guide to form a legal basis for non-profit organizations. According to The Constitution of Finland (731/1999, amendments up to 817/2018 included) chapter 1-section 13 (Freedom of assembly and freedom of association), "Everyone has the freedom of association. 'Freedom of association' entails the right to form an association without a permit, to be a member or not to be a member of an association, and to participate in the activities of an association. The freedom to form trade unions and to organize in order to look after other interests is likewise guaranteed". Freedom of association also covers the right of a non-profit organization/association to have the freedom to draft their rules (bylaws) independently with the framework of laws and design their internal operations (Finnish Patent and Registration Office).

The Association Act of 1989 gives detailed guidance to the formation of a non-profit association. According to Act-section 1, a non-profit organization can only be founded for a non-profit purpose. The associations in Finland can be registered and non-registered. The Finnish Patent and Registration Office maintains the registration of associations. According to the Association Act (1989), “Ry” is added to the association name only when the associations have been registered. A registered association has a legal capacity which entitles to the rights, make commitments, and appear before a court or some other authority.

On the other hand, a non-registered association has no legal capacity. In contrast to a registered association, they lack the rights and restrict economic activities (Helander & Sudback 1998). However, unregistered non-profit associations can have certain rights if they have their bylaws, which specify the purpose and governing bodies.

Non-profit organizations in Finland are free from paying taxes if their services are for public benefits. Tax-exempt is also included in the income generated through donation, fundraising, general donation, private grants, and membership fees (European Commission 2010). According to the European Commission (2010), non-profit organizations can only fall into the tax-exempt category if three essential requirements are fulfilled. The three elements can be: a) only operates for the public, b) activities are not directed to only an exclusive group of people, and c) do not obtain financial gain, profits, and other compensation. The non-profit organizations may have to pay taxes if their activities and services are delivered on behalf of public or private organizations. However, the European Commission (2010) noted that the taxation matters are unclear as some organizations have privatized the services.

The Fundraising Act controls fundraising in Finland. A fundraising permit is required when engaging in fundraising activity. The local police department and National Police Board grant the license depending on the area (Ministry of the Interior). The local police grant the permit if the fundraising activity is taking place in their area. The National Police Board gives permits when fundraising is done beyond the jurisdiction of a single police department. The fundraising activity must be done for a specific purpose and collected money must only be used for the purpose laid down in fundraising permits.

According to the European Fundraising Association (2018), the Finnish parliament has approved a new Fundraising Act, which was expected to be more comfortable for charities, especially for small organizations to raise funds. Association must have a fix-term money collection license whenever the fundraising activity is carried out. However, under the new act, the permit will not be needed if the fundraising activity is small-scale (European Fundraising Association 2018)

2.3 Introduction to the work-life organization

Monaliiku Ry is a registered non-profit organization established in 2009, and it has been providing its services for 11 years. Monaliiku aims to promote the welfare and social inclusion of multicultural women and girls through sports and physical exercise. Monaliiku also aims to improve health, promote well-being, gender equality, and prevent discrimination against multicultural women. The services of Monaliiku include various sports and exercise facilities such as swimming courses, Gym for women, Zumba classes, football for women, and many more. Besides, Monaliiku also provides information on various health-related issues, Finnish culture, and society, which supports in building skills and creation of social networks through client participation, which in turn promotes social inclusion.

Monaliiku carries out various projects that aim to increase women's well-being and help them in inclusion into Finnish society. Each project has its own aims and objectives, but it is aligned with the organization’s mission and vision. Fit4life, mentor on the move, walk to museums, together4sports, and Kamuset are the projects that have been actively running in Monaliiku. However, all these activities were on hold during spring 2020 due to Covid-19. Yet, Monaliiku has found a new method to reach out to its members and service users. Monaliiku is running Monaliiku live groups, such as Monaliiku Live and family Exercise. These live groups occur several times a week for 45 minutes and provide physical education. Monaliiku also uploads exercise videos made by its instructors on Facebook and Instagram pages every Thursday, which is easily accessible to its clients and members.

Monaliiku depends on various funding sources. They receive the majority of its funds from Sosiaali- ja terveysjärjestöjen avustuskeskus (STEA), which translates in English as the Funding Centre for Social Welfare and Health Organization. The city of Helsinki is another sponsor that provides grants for small projects and events. Private foundations and the European Commission have also funded Monaliiku’s pilot projects. In 2019, Helsinki and Espoo sports departments provided sports instructor fees (Annual report 2019). Moreover, Monaliiku also runs an online fundraising campaign and has a commercial income such as swimming courses and membership fees.

Monaliiku has a good cooperative network with its member organization. For Monaliiku, anyone that follows the rule of association can become their member. Monaliiku has 31 partnership organizations with whom they have a strong network (Annual report 2019). Monaliiku organizes a steering group meeting once or twice a season and hosts events to invite their partners and member organizations.

The work-life partner has shown a tremendous interest in this thesis. Monaliiku’s main objective is to analyse their sustainable position and see how their strategy fits their mission and goals. This thesis takes Monaliiku as the case study to analyse non-profit sustainability which will not only help Monaliiku to explore their challenges and strategies but also guide them to formulate their future action plan.

3 LITERATURE REVIEW

In this chapter, the author explains the key concepts regarding the research subject. The key terms used in this thesis are non-profit organization and non-profit sustainability. Various relevant literatures are used to explain the relevance and importance of the key terms. The existence of non-profit organizations, the theories behind it, and the importance of building sustainable strategies are also explored in depth. The dual bottom line matrix is taken to contextualize the key concepts further, and literature regarding the challenges faced by a non-profit is also mentioned in this chapter to build a framework for this research.

3.1 Non-profit organization

Non-profit organizations have been existing for many years, primarily led by religious groups or activities (Francois 2014). Hansmann (1980) defines non-profit organization in its literal meaning as “barred from distributing its net earnings, if any, to individuals who exercise control over it, such as members, officers, directors, or trustees,” where ‘net earning’ refers to surplus earning that the organization gains after deducting all operating expenses (Bowman 2011). The United Nations (2003, 18) defines non-profit organizations as an organization whose aim is not to generate profit and not have commercial goals embedded in their mission.

Non-profit organizations play a vital role in the community and nation while fulfilling the broad spectrum of socio-economic responsibility (Valentinov & Vacekova 2015). Economists consider any economic sector to be a significant industry which employs 5% or more of a country’s human workforce. According to Salamon and Newhouse (2019, 3), “12.3 million paid workers employed by U.S. non-profit establishments as of 2016 accounted for a substantial 10.2% of the total U.S. private workforce. In half the states, moreover, non-profit jobs account for over 10% of all private jobs”. Salamon and Newhouse (2019) further noted that non-profit organizations in the U.S. employed the third largest workforce of any U.S. industry in 2016, after retail trade and accommodation & food services. This indicates that non-profit organizations play a significant role in boosting the economy and prove to be a major industry even in a country like the U.S., which has the world's single largest economy (Kose et al. 2017).

Non-profit organizations provide their services in various sectors ranging from education, health, well-being, social integration, and advocacy work. "They promote the arts. They advocate for the rights of the people in our nation's wide range of human diversity and focus attention on threats to the environment, the rights of consumers, and other critical interests of our society" (Hummel 1996, 1.) Some non-profit organizations provide a solution to local needs such as youth mental health problems, alcohol and drug abuse, and violence, while some non-profit organizations work at the national level and solve the national crisis of immigration, unemployment, and health issues. (Monaliiku Ry). Not only at the local and national levels, but some non-profit organizations such as Unicef and Red Cross have also been working for years to solve global issues such as hunger and to provide basic needs to victims of natural disasters or war. (UNICEF 2018; Red Cross)

Non-profit organizations are not in business to make money (Bowman 2011). Non-profit organizations offer services to the community that government agencies, businesses, or public sectors would have had to provide but do not offer (Salamon 1995.) Therefore, non-profit organizations are free from paying taxes. Similarly, non-profit organizations do not have an owner. Instead, they have board members, staff, and volunteers, and the public is the eventual audience (Tschirhart & Bielefeld 2012).

On the other hand, a for-profit organization is a business to generate profit. For-profit organizations have shareholders who benefit from the profit or the revenue generated from sales or services. (Francois 2014). Unlike non-profit organizations, for-profit organizations are not tax-exempt as they make a profit out of their sales and services.

3.2 Why do non-profit organizations exist?

Various scholars have explained why non-profit organizations exist in three different notions, which are included in economic theories. Market failure, government failure, and volunteer failure are three theories that explain why non-profit organizations deliver public services and why the government collaborates with non-profit organizations (Boris n.d.; Bowman 2011). These three different theories are explained in detail below.

As Keech and Munger (2015) state, government failure occurs when the government fails to resolve the market failure. The government failure model explains the concept that government programs are designed to cater needs of a broad generic audience, which means that the government cannot achieve the needs of all citizens if the society has a diverse ethnic, social, and religious group (Lecy & Sklke 2014; Anheier 2014). Furthermore, there are always some people who do not get satisfied with the services provided by the government (Bowman, 2011). Government failure creates more demand for diverse activities and creates a secondary market. Many scholars (Hansmann 1987; Young 1987) have pointed out that non-profit organization exists to satisfy and achieve the social needs left unfulfilled by the government (Lu & Xu 2018). Therefore, non-profit sectors are formed to fill the gap created by the government by supplying goods and services more diversely.

Market failure is another reason why a non-profit organization exists in society (Valentinoe 2008; Faulk 2014). Similar to the government failure model, where the government fails to deliver public goods and services to all consumers, the market failure model explains the market’s failure to provide public goods and services in the free market (Agarwal 2020). The market failure model highlights the notion of supply of unsatisfactory or lack of proper supply of public goods and services in the free market (Anheier 2014; Kostilainen 2019).

The market under-supplies non-excludable goods such as public roads, bridges, and streetlights (Faulk 2014). The market’s failure to deliver non-excludable goods means that the market's supply does not meet consumers' demand for public goods. Therefore, non-profit organizations step in to fill the gap and provide sufficient collective goods and services through donor support and voluntary contributions (Faulk 2014). According to Hansmann (1980), “non-profit organizations are needed in response to situations where consumers cannot easily compare products and prices, negotiate with a provider, or determine whether the provider complied with an agreement and obtain redress if it did not” (Bowman 2011).

The government failure model and the market failure model explain that non-profit organizations act as a supplement and achieve the demand of consumers left unfulfilled by the government and market (Faulk 2014; Lecy & Sklke 2014). However, non-profit organizations might also fail to provide services to the public. The voluntary failure model highlights the idea or situation in which non-profit organizations fail to deliver satisfactory public goods and services and address societal needs and issues (Anheier 2014).

The voluntary failure model explains the relationship between non-profit organizations and government. According to Salamon (1995), non-profit organizations are perceived as a third-party agent that operates government programs and activities, whereas the government supports with funds and more stable resources (Boris n.d). Usually, the government may step in to support a non-profit organization in areas of a non-profit's weakness or when a non-profit organization cannot deliver public goods and services (Anheier 2014). Besides the government and non-profit relationship, the voluntary failure model also explains another notion of the existence of non-profit organizations or voluntary sectors. Anheier (2014, 130) argues that people’s natural sense of obligation makes them lean towards being a volunteer, which clarifies the voluntary sector's existence.

3.3 Sustainability in Non-profit organizations

Non-profit organizations operate in a unique business model where it generates resources to provide services to their constituents through grants, donations, or funds from government, donors, or philanthropists (Bowman 2011). The usual source of income for non-profit organizations has been the government (Wijkström 1997). However, non-profit organizations are growing and have been operating in a competitive environment. According to Chetkovich and Frumkin (2003), the rapid growth of non-profit organizations has increased the competition to get funding and contributed to the volatility of support from sponsors or funders. Thus, the importance of adopting new strategies and practices to sustain over the long run has become more crucial to non-profit organizations.

Sustainability in an organization can be defined as an ability to sustain and provide services to the stakeholders over an extended period while fulfilling the organization's mission and vision (Weerawandena, McDonald, & Mort 2009). According to Bell et al. (2010 11), non-profit sustainability has two key components: Financial Sustainability and Programmatic sustainability. These two key components must go together, and there must be a balance between both to sustain a non-profit organization (Bell et al. 2010). It is challenging to deliver a high-impact program if an organization is unable to sustain financially. Similarly, just being financially sustainable does not support an organization in fulfilling the mission. Both the components are discussed in detail below.

3.3.1 Programmatic Sustainability

Programmatic sustainability means the organization's ability to evolve and develop its programs to have the intended impact (Bell, Masoka & Zimmerman 2010). For Michael (2000), programmatic sustainability is the extension of programs or projects that support the organization's mission and values. It is the organization's capacity to continue developing, mature, evolving programs and projects that are mission driven.

Not all non-profit organizations sustain for an extended period (Savaya et al. 2008). The research shows that approximately 40% of new programs do not sustain when the initial funds end (Savaya et al. 2008, 478-493). Many non-profit organizations that serve the same community and have a similar mission struggle to stay relevant (Sontag-Padilla et al. 2012). Furthermore, failing in delivering programs that support the company's mission can also create a barrier for community engagement and future initiatives (Pluye 2004). Thus, designing and developing more impactful, innovative, and effective programs not only supports the extension and adaptability of programs, but it also attracts more funding streams, enhances the organization’s brand, wins new programs, and guarantees success (Social Solution Foundation Reporting Study, n.d.).

The definition of programmatic sustainability varies for different organizations and depends on the age of programs. It may be about sustaining and developing activities for a newly started organization once an initial fund for any project or activity ends. On the other hand, programmatic sustainability for mature organizations would be to create a new relationship with other agencies, target the services to a larger target group, transfer best practices to other programs, or promote broader policy initiatives (HUD, n.d.).

3.3.2 Financial Sustainability

According to Bowman (2011, 2), financial sustainability is the ability to maintain financial capacity over time. Bell et al. (2010) define financial sustainability as the capacity to retain and produce enough capital for its activities and provide standard services to the clients. Financial capacity is not only the key to maintain general operation of an organization but also to provide the company with the ability to gather resources in order to seize any opportunity and react to any threat that the organization might face (Bowman, 2011).

Financial sustainability for for-profit organizations means to generate enough revenue to continue operation, grow the business, and continuously increase profit for shareholders (Francois 2014, 20). However, Francois (2014) has pointed out that the bottom line of financial sustainability in non-profit organizations is about the organization's mission, vision, and values and its capability to operate and create social impact rather than profit generation.

The traditional view of non-profit organizations is that the source of revenue is a charitable donation (Carroll & Stater 2009). However, non-profit organizations can be financed from different revenue-generating programs, receive funding from individuals, government, private grants, and investors (Francois 2014). Non-profit organizations can also use various strategies to maintain financial sustainability, such as fund-raising, building partnerships, collaborating with other non-profit organizations, and revenue diversification (Brown, 2019).

3.3.3 Why is it essential to build a sustainable strategy?

A sustainable strategy is essential to guarantee the longevity of a non-profit organization (Brown 2019). The non-profit operates in a complex, rapidly changing, and competitive environment (Aleksic 2013). Developing a sustainable strategy gives the ability to positively accept, adjust, and adapt to the change and create an innovative practice (Aleksic 2013). The successful implementation of sustainable strategy in non-profit operations can also enhance financial sustainability (Librie 2016). The well-implementation of strategies such as revenue diversification, fundraising, and sustaining partnerships with other non-profit organizations maintain the financial sustainability of non-profit Organizations (Brown 2019).

Developing a clear sustainability strategy aids in developing innovative services, initiatives, and adjusts them to the organization’s vision and mission. Similarly, it also influences the engagement of internal and external stakeholders. According to Librie (2016), a sustainable organization attracts more investments or funding, increases employee’s productivity, and their commitment towards the organization’s work. Sustainability strategy may also help a non-profit organization recognize company culture, strength, and create a sustainable competitive advantage (Gear 2017).

3.4 Challenges of a non-profit organization

The management, operation, and sustainability of a non-profit organization is a challenge (Livvarchin 2019). These challenges may lead non-profit organizations to fail and even lead to the closure of their operation if there is a lack of adequate preparation to overcome daily obstacles. According to Henrik (2011), development of modern technologies, competition between non-profit organizations, environmental challenges, and globalization are some of the factors that affect the growth and sustainability of non-profit organizations (Domiter & Marciszewska 2018, 21).

Not every non-profit organization has enough time, energy, and resources to concentrate on a long-term solution (Livvarchin 2019). Livvarchin (2019) has illustrated the most common challenges of a non-profit organization.

Figure 2: Challenges of Non-profit organizations (*Source Livvarcin 2019)*

As shown in figure 2, the challenges of a non-profit organization are explained using the SOFT Model, where SOFT stands for Strategic, Organizational, Funding, and Technological. Each category of the SOFT Model is further divided into three sub-categories. The categories of SOFT models are explained further in detail below.

3.4.1 Strategic Challenge

A proper well-defined strategy is necessary to fulfill the organization's mission, vision, and to create an impact. The strategic challenge highlights the difficulties that non-profit organizations face to measure, manage, and present their impact. Livvarchin (2019) mentioned that impact is the "new currency" for non-profit organizations, which means well-measured and documented impact helps engage the stakeholders properly.

The stakeholder engages and builds a relationship with a non-profit organization based on the social impact of non-profit work in the community and how stakeholders' demands are satisfied as well as how well they are treated. The expectation of one group of stakeholders may vary or conflict with another critical group of stakeholders or with the expectation of non-profit organizations (Bourne 2010). The possible reason is the stakeholder's expectations may not align with the mission, social values, and capacities of a non-profit organization. Therefore, stakeholder engagement is also a challenge to a non-profit organization. Low impact and poor engagement by stakeholders create visibility problems in a non-profit organization (Livvarcin 2019).

3.4.2 Organizational Challenge

Non-profit organizations face an organizational challenge due to improper management of organizational structure and system (Livvarcin 2019). The complexity and uncertainty of the environment, rapid technological development, constant change in social, political, and economic factors are some of the conditions that affect the organization's operation. It is essential for a non-profit organization to develop proper structure, system, innovative management practices, and strategies to adapt to rapid internal and external changes. Such changes pose a challenge in the beginning but can be turned into opportunities in the future if proper organizational strategies are adopted. Moreover, many non-profits run with the help of volunteers, temporary staff, and interns which makes the implementation of an organizational strategy more challenging as the staff is constantly changing.

3.4.3 Funding Challenge

Livvarcin (2019) has mentioned that funding is the most common challenge of non-profit organizations, among other categories, because most non-profit organizations depend on funding as a critical method to finance their operations (Daellenbach, Davies, & Ashill 2006). The growth of non-profit organizations has led to increased competition for donations and grants (McDonald, Waarewardena & Moert 2009; Chetkovich & Frumkin 2003; Salamon 2002). Froelich (1999) has argued that funding sources for non-profit organizations are uncertain, insufficient, and unstable. Besides, various researchers have argued that there has been a significant change in the attitude of private donors, associations, and government. Francois (2014) explained that the government does not have enough funds to achieve the community needs as the level of quality required in services.

According to Livvarcin (2019), revenue diversification, resilience, and efficiency are the sources to deal with the funding challenges of non-profit organizations. Revenue diversification is defined as relying on multiple sources of revenue streams that do not correlate with each other by a non-profit organization (Lioudis 2019). Although revenue diversification is seen as a strategy to overcome funding issues, non-profit organizations must also deal with its downside. A diversified revenue stream comes with its level of complexity, restriction, cost, multiple expectations, and views, which may blur a non-profit organization's mission and objectives (Froelich 1999; Hager & Hung 2019). Similarly, resilience is another practical strategy for financial sustainability. Resilience is the capacity of non-profit organizations to recover from an economic catastrophe and sustain their operation in a competitive financial environment (Owiredu et al. 2016).

3.4.4 Technological Challenge

Technology is rapidly developing and adapting to advanced technologies is a challenge to a non-profit organization. Many researchers have pointed out that scarcity of resources, time, and technological expertise make it difficult for many non-profit organizations to integrate technology into their operations (Markel et al. 2007). The research conducted by Geller et al. (2010) for John Hopkins University pointed out that non-profit organizations have a technology gap as compared to other organizations. This research also shows that many non-profit organizations have underlying technologies but lack IT experts to reap its benefits. Advanced data management requires expertise, which is time-consuming as well as costly. However, many non-profit organizations, due to a lack of abundant budget, fail to allocate enough budget for technological advancement (Geller et al. 2010).

Technology has become a vital tool for communication with different stakeholders (Livvarcin, 2019). Social media such as Facebook, Twitter, Instagram, and LinkedIn are emerging platforms that non-profit organizations use to communicate their mission, vision, and impact on existing and potential donors. However, to use social media and other communication platforms such as an organization's website, planning and proper strategy is required. The efficient use of technology can expand reach, exposure, visibility, improve external communication, and influence significant donations. Still, the process rarely generates fast results and is both time and resource consuming (Boles 2013). To integrate technology for marketing and publicity purposes is another challenge that non-profit faces.

4 RESEARCH METHODOLOGY

This chapter states the research methodology used in this thesis. The process and purpose of choosing the research methodology are also discussed. The relevance of the research methodology for this particular research is further analysed. Similarly, the process and purpose of data collection and data analysis methods is also explained in this chapter. This chapter also accounts each step taken during data collection. Besides, every phase of data analysis, the data analysis tool used, and the author’s data analysis action is also accounted in this chapter.

4.1 Data collection

This thesis uses a qualitative research method. A qualitative research method is a social investigation form that aims to discover participants' broad understanding, attitudes, perspectives, beliefs, and behaviours (Holloway & Wheeler 2017, 1). Similarly, Kozleski (2017) explains that the qualitative research method contributes to pursuing social rationality through sources such as users and participants (Gunnerson 2019, 106). The author used the qualitative research method in this thesis as it provided flexibility for the author to observe the interviewee's responses and obtain a deep understanding of non-profit sustainability through comprehensive conversation.

The data was collected through interviews, research materials provided by Monaliiku, and the author’s own research of all existing online materials of the work-life organization. The interview was conducted in a semi-structured method to study the context of the work-life partner organization. A semi-structured interview is a non-standardized research interview method that provides holistic information on participants' experience and perspective of a particular theme and questions (Saunders et al. 2012, 312). The purpose of taking a semi-structured interview in this thesis is to enable the interviewee to discuss and build their responses in detail. For the semi-structured interview, questionnaires with open-ended questions were designed and asked by the interviewer to the interviewee to produce a comprehensive answer.

The interview process began by contacting the interviewee through email and follow up phone call. The interviewee was interviewed twice, one at the beginning of the research and one in the middle of the study. The first interview was conducted face-to-face for 40 minutes in Monaliiku's office. With the consent of the interviewee, the interview was recorded and transcribed. The second interview was one hour long, scheduled via email, and conducted online due to COVID-19. During the second interview, the author shared the desktop screen and explained the dual-bottom line matrix, its usefulness, and how projects are evaluated using this matrix. After explaining the matrix, Monaliiku's projects and activities were discussed together and then categorized into four quadrants, which are further analysed using the thematic data analysis method.

In addition to the interview, an in-depth analysis of other materials such as Monaliiku's website, annual report, and handbook were also done. Monaliiku also provided their annual report, which was in Finnish, and it was studied thoroughly. Through Monaliiku's annual report, website, and blogs: a description of the organization's projects, activities, number of participants, and their feedback were also gathered and studied to ensure the reliability and validity of the collected data.

4.2 Data analysis

This thesis uses thematic data analysis method to analyse the collected data. Thematic analysis is a qualitative research method that enables researchers to analyse, identify, and organize themes found within a data set (Braun & Clarke 2006). The purpose of using thematic analysis in this thesis is because it supports in analysing the data systematically. The use of thematic analysis is useful to outline the significant components from collected data, which ultimately helps in a thorough exploration of non-profit sustainability and to construct a final evident report.

The six phases of thematic analysis and the steps taken by the author in each phase to analyse the collected data thoroughly are described in the table below:

	Phase	Steps taken by the author
1	Familiarizing with collected data	In the first phase of data analysis, I gathered all the data collected into a file, and I started with transcribing the audio recording of the interview. The audio recording was listened twice before transcribing, and the transcript was actively read multiple times to familiarize the data and to find out if the interviewee has answered all the questions. Moreover, the data collected from other materials were also read several times, and important points from those data were highlighted.
2	Generating Initial Codes	The second phase began when I started to analyse data from phase 1 to generate initial codes. After transcribing the data, I tried to find a pattern, similarities, and specific characteristics between different types of collected data. Similar data from the interview, other gathered materials, and literature review were grouped together to generate the initial codes. The initial production of coding was done from the raw data according to the themes and research questions.
3	Searching for themes	In phase 3, I started by sorting coded data extracts into themes. After a thorough review and re-visiting of the coded data, potential themes and relationships were identified. After coding the data in phase 2, similar patterns were clustered together and sorted into categories according to their nature, and extraction of the most relevant coded data into themes that matched the overall aim of this research was done.
4	Reviewing the theme	This phase involved going back to the extracts or whole database to ensure the necessary data were not misused or lost. In this process, I re-coded, revised the themes again, and identified new themes until each theme was clear and distinct. The themes spotted in the previous phase were reviewed again and validated to justify the research question. After re-coding and reviewing the themes, five themes were identified, which are discussed in chapter 6.
5	Defining and Naming Themes	After identifying the five themes, I tried to specify and know each theme's different content and found out how each theme fits in the overall analysis of the story in relation to research questions. After identifying each theme's content, a proper name was given to the themes that highlighted the central idea of what each theme depicted.
6	Producing the Report	The final phase of this process was producing an analysis report. After the themes were finalized, and each one of them were named, a detailed and coherent report was produced from collected data, which was related to the research question and literature. The final analysis report constitutes the findings, along with its respective themes, which are presented in chapter 6.

Table 1: 6 phases of thematic analysis and steps taken by the author in each step.

4.2.1 Dual bottom line matrix

The dual bottom-line matrix is also used as a tool for data analysis in this thesis. The dual bottom-line matrix is a simple visual tool to analyse an organization's programs and activities in terms of profitability and mission impact (Bell & Zimmerman 2014). In this research, the author makes use of the dual-bottom line matrix to analyse Monaliiku’s project and activities and to provide a clear insight into how they are interrelated. The matrix helps to better understand the business model's viability and adapt to increase the organization’s sustainability (Zimmerman & Bell 2014). In the matrix, the x-axis represents the mission impact, and the y-axis represents the financial sustainability or profitability. Projects that have measurable results, evident progress towards the accomplishment of the organization’s vision and mission, and high-quality services that distinguish the organization from its competition are the programs with high mission impact (Alison & Kaye 2015). Similarly, programs with high profitability, at the very least, cover all costs and generates a surplus of revenue and projects to have financial sustainability for the future or a proven financially viable business model (Alison & Kaye 2015).

The dual bottom-line matrix is divided into four quadrants, representing the Star, the Heart, the money tree, and the stop sign, as shown in figure 1. The matrix gives a clear insight into whether to proceed, change, adapt, or stop existing organization programs. Moreover, it is also a great device to understand and formulate the organization’s current and future strategic directions.

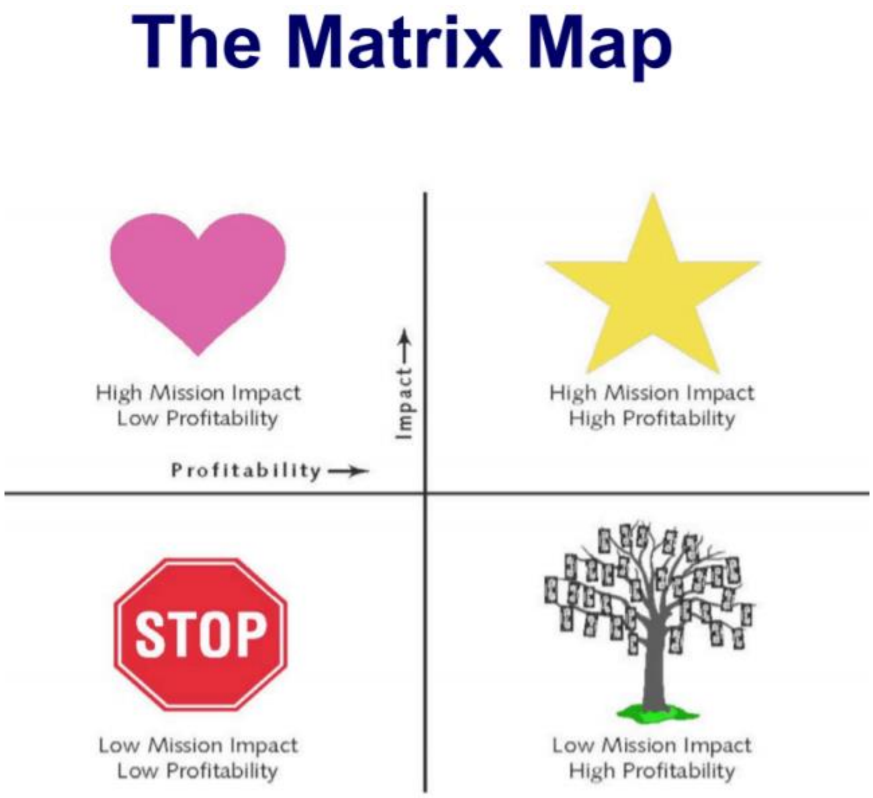

Figure 1: Dual Bottom Line Matrix

The programs in Star, which have high mission impact and high sustainability, are the most important ones since they perform well. The strategic imperative for the star programs is to make sure that the board is involved with the programs, to invest more time and money, and to pay more attention to the weak areas to grow them (Alison & Kaye 2015).

The Heart projects, indicating high mission impact and low profitability, achieve organizations or programs' mission but are not profitable. The strategic imperative for these programs is to keep them, contain the cost, and work on building profitability (Alison & Kaye 2015). According to Zimmerman and Bell (2014), the activities that are not profitable but are crucial to the mission are needed. However, the organization must not let itself fall into bankruptcy.

The money tree projects with high profitability and low mission impact are the ones that do not achieve the mission and have a lower impact on the programs but generate significant surpluses. Usually, the money tree's surpluses are used in subsidizing the heart projects (Bell & Zimmerman 2014). The strategic imperative for the money tree is to keep them and convert them to star projects by increasing the mission impact.

The stop sign indicates low mission impact and low profitability, which means the projects do not fulfill their mission and also do not generate enough revenue. The strategic imperative for stop sign projects is to halt the operation entirely since the time, energy, and human resources spent on the project are unproductive.

5 RESEARCH ETHICS AND LIMITATIONS

An ethical concern is crucial when undertaking research to ensure that the study is taken ethically and morally. According to Blumberg et al. (2005, 178), ethics in the context of research is defined as the “moral principles, norms or standard of behaviour that guide moral choice about our behaviour and our relationships with others” (Saunders et al. 2007, 178). Therefore, research ethics is required to ensure the reliability and credibility of the results and to avoid harm, and safeguard the confidentiality of the participants (Saunders et al. 2007, 181).

The author encountered various ethical considerations during the research process. In the research process, the first ethical consideration that the author experience was by getting permission to conduct research. While pitching the thesis idea to work-life partners, the study's potential effects and benefits were also informed. Once the permission to conduct research was received, the author and the work-life partner signed a work-life agreement form. The work-life agreement form means that the author agrees to safeguard the work-life partner's confidential information, and the work-life partner agrees to enable the author to gather the data. Keeping the anonymity of the interviewee was another ethical consideration. The interviewee gave permission to use the name, but the author decided not to disclose the interviewee’s name to avoid any potential harm or negative consequences to the interviewee (Saunders et al. 2007).

Taking consent is also another ethical consideration the author encountered in the research process. The consent of an individual who participates in any form of study must be attained to prove the research's ethical standard (Fortune et al. 2013). The consent was taken verbally from the interviewee before taking an interview, recording it, and using Monaliiku's name to mention that it is the research organization.

Besides the interview, the author also collected data from other materials to ensure the validity of the data (Golafshani 2003). During the process, the author gathered Monaliiku's annual report and articles, some of which were written in Finnish. Therefore, another ethical issue that the author came across was to ensure that the translation was done correctly and data was not misinterpreted during the translation. The work-life partner helped to explain the gist of the materials that were in Finnish. The language barrier posed not only ethical consideration, but it was also a limitation in this thesis. Considering the ethical limits of the language barrier, the author tried to gather as much data as possible in English through different online and offline resources.

This is a case study conducted on one non-profit organization based on interviews from one person and other available materials collected from the work-life partner. It acts as another challenge of this thesis because the result of this study cannot be generalized and may not be relevant across all non-profit sectors (Saunders et al. 2007).

The use of interviews as a primary data collection method also had considerable risks. The creation of bias opinions on the topic may occur in the conversation between interviewer and interviewee, which may affect the credibility, validity, and reliability of the information gained from an interview (Saunders et al. 2007). This is another limitation, as well as the ethical concern of this thesis. Therefore, the author's opinions were set aside during the entire interview process to ensure that the credibility and reliability of the information were not affected. Moreover, to ensure that no false pieces of information were provided in this thesis, the interview recording and transcription were also listened to and read multiple times, and the thesis draft was also given to the work-life partner to read and provide feedback to the author.

6 FINDINGS

In this chapter, the author has explained the main findings of this thesis. Through in-depth thematic analysis of interviews and additional collected materials, the author has discovered five themes. Each of the themes explored in this chapter is crucial to answering this thesis's research question. The data findings explored in this chapter are descriptive in nature and factual. Direct quotations from the interviewee and additional materials are also used to show how the author has come up with the findings.

6.1 Challenges of Monaliiku

According to the data analysis, Monaliiku faces financial, technological, and organizational challenges that affect its long-term sustainability. It is found that Monaliiku has a lack of diversified funders and revenue and is heavily dependent on funding from donors, as seen in their annual report (2019). Furthermore, the work-life partner gets project-based funding, and sometimes the organization struggles even with the basic cost of operation. "The worst scenario Monaliiku faced was to give up on projects and project ideas due to the inadequacy of funds," the interviewee mentioned.

The data analysis shows the interlink between the challenges of Monaliiku. It appears clear that the funding challenges lead to technological challenges in Monaliiku. Due to a lack of sources of revenue, Monaliiku is struggling to integrate advanced technology and IT expertise into its operation. The interviewee said, "I do acknowledge the importance of having advanced technology in our operation. However, Monaliiku lacks resources to use this kind of technology". Therefore, keeping track of service users and data management is a massive challenge for Monaliiku.

Similarly, the management of human resources and structural challenges are identified as the organizational challenges of Monaliiku. According to Monaliiku's annual report (2019), there were 17 employees and 6 internship opportunities for students. The interviewee said, “most of the staff in Monaliiku are temporary or interns and change after six months.” This staff turnover poses a challenge to implement their strategy and to maintain work culture. Furthermore, the interviewee said that due to the organization's rapid growth, they are struggling to adjust to the change and to overcome different structural challenges.

Additionally, COVID-19 has also been a significant challenge for Monaliiku Ry as it has affected their overall operation. The interviewee said, “the face to face services or immediate work with service users is a crucial part of our work. It gives the feeling of doing something important.” However, the organization immediately had to stop its face-to-face operation since the 14th of March. Furthermore, Covid-19 has had a significant impact on the organizational planning of Monaliiku. Monaliiku did not get funds for two projects, which they were hoping to start at the beginning of 2020. The interviewee mentioned, “The decision taken by our major funders not to open funding opportunities for a new application for the new projects has had a huge impact on our organization’s planning.” The interviewee added that according to the message they received from its primary funder, Monaliiku needs to expect cuts in the funding form 2021.

6.2 Sustainable Strategies of Monaliiku

The data analysis pointed out that in order to offset financial difficulties, Monaliiku has adopted various financial sustainable strategies, as seen in their annual report and website, such as revenue or donor diversification, an online fundraising campaign, saving plan, and partnership with other non-profit organizations. The interviewee mentioned, “due to the Covid-19 and the loss of our major funding source for our two potential new projects, we are trying to diversify our funders and revenue to implement the new projects as planned.” Therefore, building and maintaining a partnership is another strategy that Monaliiku has adopted to reduce competition among other non-profit organizations.

In terms of maintaining program or project sustainability, the organization focuses more on what service users need than what they want when developing and starting any project. The interviewee said, “I think you cannot make something based only on what the clients want. You must look at what the needs are and measure your resources and possibilities.” The second strategy is to focus on taking continuous feedback from participants and regular impact measurement. The interviewee said, “the first year of the project is a pilot project. And based on how they react and the feedback, we adjust the method to adapt to the changes. Listening to the opinion of service users is crucial in our work”. To adapt to the circumstances created by COVID-19, Monaliiku has started operating virtually. Moreover, Monaliiku is running two virtual classes to reach out to the target groups through various social media.

According to the interviewee, Monaliiku is more of a collaborative organization than a competitive organization as Monaliiku works together with several organizations, especially with social organizations. Building a partnership with other social organizations have enabled an open and interdependent atmosphere among non-profit organizations. The interviewee also used the term “low threshold activities” to define the activities hosted by Monaliiku. The interviewee added, “Monaliiku firmly sticks to their values, mission, and concentrated on sports and exercise. When working with multicultural women, they might also need Finnish classes. But we do not provide Finnish class because that is not our thing”. Monaliiku’s high quality and exclusive services are designed to further favour having low competition.

6.3 Financial Sustainability of Monaliiku

The application of the financial sustainability strategy can be analysed through Monaliiku’s projects and the overall functioning of the organization. The interview data proves that Monaliiku has both types of projects, financially sustainable, as well as programs that are struggling financially. According to the Monaliiku’s annual report (2019) and website, Walk to Museums, together for sports, swimming groups, and table tennis for fathers’ day, are some examples of projects and events which received only short-term funding.

Whereas, Fit4Life, which is a program running for five years with the permanent financing from STEA (Sosiaali- ja terveysjärjestöjen avustuskeskus), and Mentor on the Move, another project which has been running for three years, also funded by STEA are examples of financially stable projects. Other than long-term funders, Monaliiku also runs a fund-raising campaign and has commercial revenue (membership fee and swimming course fee).

According to the interview, Monaliiku has received more long-term funding than short-term funding. It is found that funding from government agencies is more permanent than a private foundation. STEA and the City of Helsinki have been Monaliiku's long-term funders whereas, Kone Foundation and the EU have funded Monaliiku only for a short period of time.

6.4 Programmatic sustainability of Monaliiku's projects and activities

The data analysis indicates that most of the projects of Monaliiku have a high mission impact and are programmatically sustainable. According to the analysis of the annual report and blog section on Monaliiku's website, it is proved that Monaliiku's most projects and activities have positive responses and feedback from service users, a higher number of participants, and have a high demand for the services, with evident progress towards the accomplishment of the project's and organization's mission.

Monaliiku also posts feedback by participants on its website for several of its programs. One of the participants of Walk to museums project commented:
"The project guides and museum guides are really knowledgeable experts, and the project is very well organized. I will be happy to continue to join, and I am confident that interesting places will be chosen that you may not have had to go to yourself. Like I hardly went to the Arabian Museum alone, and how interesting it was there" (Monaliiku. Blogs: Walking to museums)

Another participant from the swimming course commented, “I suffer from Rheumatism, whenever I am moving in the water, I have no pain at all, and my overall health condition has improved.” (Monaliiku. Blogs: Swimming Group)

In addition, Monaliiku also adapts to various program dimensions or strategies to ensure the sustainability of its programs (see chapter 6.2). Furthermore, most of the programs and projects of Monaliiku are adaptable, evolving, and adjustable in relation to the changing condition. The interviewee said, “Monaliiku’s’ most projects are sustainable because we make a proper plan, measure the needs of the society and service users, and develop adaptable and changing project methods even before starting a project.” The interviewee also cited how the organization has grown remarkably due to the need and demand for the services.

6.5 Dual bottom line matrix

The Dual bottom line matrix, as explained in chapter 4.2.1, is used to analyse and show the projects and activities of Monaliiku. The projects and activities are categorized on the basis of profitability and mission impact. Profitability here means that the project has continuous funding. Any project and activities that operate without any interruption in funding or is projected to have financial sustainability for the future was regarded as high profitability (see chapter 4.2.1). If the pilot project and activity could not gather funding after initiation or the funding was withdrawn during the operation, the project was regarded as low profitability. The criteria for projects to be classified as high mission impact was that it fulfills the project’s mission, Key Performance Indicators has high anticipation from users and has positive feedbacks denoting high-quality service, distinguishing the organization from its competition (see chapter 4.2.1).

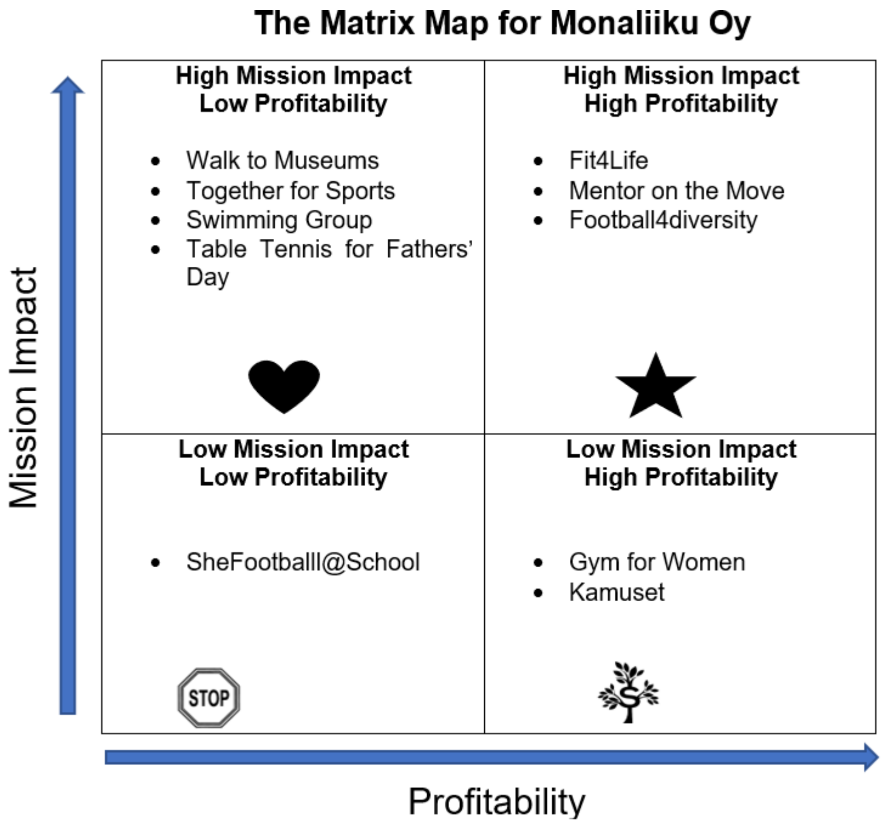

Figure 3: Dual Bottom Line Matrix of Monaliiku Ry

Figure 3 is the matrix map analysis of Monaliiku's projects and activities in terms of profitability and mission impact. The data collection provided the project and activities that fit in each quadrant, and through data analysis, the strategy that Monaliiku used in each category is described below.

The findings show that low mission impact and low profitability projects, i.e., "stop" projects, immediately failed, and Monaliiku terminated the operation of such projects. The interviewee said that Monaliiku worked on building impact through a change of direction and methods of low mission impact and high profitability, i.e., "money tree" projects. The data analysis also showed that the heart projects have more short-term funders, whereas the star projects have more long-term or permanent donors. Most of Monaliiku's projects and activities fall on the "Heart" project and secondly on the "Star" project, whereas only two projects fall in the money tree.

7 DISCUSSION

The finding of this thesis supports and has lots of similarities to the previous research and the expert's view. Monaliiku faces similar challenges, as mentioned in Livvarchin SOFT Model (see chapter 3.4). The finding pointed out that the challenges of Monaliiku are intertwined with each other (see chapter 6.1). It is found that funding is the most common and critical challenge of Monaliiku, which was similar to the SOFT Model. The funding challenge of Monaliiku Ry is perceived as the source of other challenges, including organizational challenges, especially the staffing of Monaliiku.

Livvarchin (2019) also mentioned that the data are not collected, handled, and adequately managed in most non-profit organizations. Similarly, Monaliiku has not adopted advanced technology to make the best use of the available data which can have a significant impact on their services. The reason for Monaliiku's technological challenges is also the same as the findings of a study conducted by Geller and his friends in 2010, which is a lack of financial resources and failure to allocate enough budget for technological advancement (see chapter 3.5.4). Solving the funding challenge can indeed support in dealing with other challenges of Monaliiku.

Covid-19 has not only brought a new challenge, but it has also highlighted pre-existing drawbacks. COVID-19 has worsened the funding challenge of Monaliiku as the organization might struggle financially in the coming years. It has also brought a strategic challenge for Monaliiku. Livvarchin (2019), in the SOFT model, has explained that the impact is crucial for non-profit organizations to communicate with society, donors, service users, and volunteers. However, it has been a struggle for Monaliiku to create, measure, and manage the impact and create visibility of their services at the current moment. The pre-existing challenge of Monaliiku, such as the staff's limited technological expertise, has also posed a problem to overcome new challenges brought by COVID-19. The sudden change of Monaliiku's operational work to the virtual world is a considerable challenge for staff and the target group. COVID-19 has also shown the importance of formulating a crisis strategy by non-profit organizations. It also shows a constant need for growth in a non-profit organization which creates a space for change in case of a crisis. Even during the Covid-19 pandemic, Monaliiku has been working to adapt well to the crisis, either by operating virtually or by delivering continuous services to its target group.

Monaliiku’s capacity and mindset to deal with any challenge is the point that interested the author the most. Although Monaliiku lost its funders for two new projects, Monaliiku continued to search for other ways to deal with the current dilemmas, such as the decision of Monaliiku in adopting strategies and practical sources like revenue diversification, building partnership, efficient use of financial resources, and online fundraising campaign (chapter 6.2) to offset the economic vulnerability during the crisis. Brown (chapter 3.2.3) also concluded a similar idea in his study of the sustainability of non-profit organizations. Besides increasing financial sustainability, adopting these strategies is a channel to reduce resource dependence (Brown 2019). Similarly, it is smart of Monaliiku to adopt strategies in terms of program sustainability such as developing need-focused projects, continuous performance measurement through feedback and number of participants, and change of program methods or adaptability according to varying conditions. The adaptation of these strategies has helped Monaliiku’s projects and activities to have a high mission impact.

The analysis of the projects and activities using the dual bottom line matrix further explained the sustainable as well as strategic position of Monaliiku and helped to see what action Monaliiku takes for its projects and how it aligns with the recommended measure of each type of project in the literature review (chapter 4.2.1). Monaliiku has projects that are well funded and cover their direct cost, as well as projects that have no direct funding. Projects with no direct funding make the organization fall in the “push and pull” argument, such as “This project is important, but it costs too much” (Alison & Kaye 2015). It can be seen that Monaliiku is adapting to various strategic imperatives to create a balance between finance and mission impact depending on where the projects and activities are placed in the matrix map. The data analysis shows that the strategic imperatives adapted by Monaliiku are mostly similar to the strategic imperatives explained in the methodology chapter (see chapter 4.2.1). Zimmerman and Bell (2014) explained that the surpluses generated in the projects and activities in “money tree” could be used to subsidize the projects and activities in “Hearts.” However, it is found that Monaliiku does not subsidize the “heart” from surpluses generated from other projects. This is particularly true to many non-profit organizations because the funds that come for specific projects and activities are restricted for specific purposes (King n.d.). This would mean that non-profit organizations can only use this strategic imperative in the case where the fund received is not specified for a single project.

8 CONCLUSION

The main aim of this thesis is to study the sustainability of non-profit organizations in the context of Finland in the form of a case study of Monaliiku. A thorough analysis of the literature review and qualitative analysis of collected data supported the author in reaching this thesis's aim and answering the primary research question.

The research reveals the importance of non-profit organizations' existence and points out that for a non-profit organization to survive, understanding and forming a sustainable strategy is crucial. In the case of Finland, the growing number of non-profit organizations pose a threat to the sufficient availability of funds and service users and also presents a challenge to stay relevant. To counteract this, the research explains that it is necessary, now than ever, for non-profit organizations to build, analyse, or revise their organization’s sustainability.

The work-life partner, Monaliiku, has also identified the need to analyse their sustainable and strategic position. The data finding shows the challenges that Monaliiku faced are similar to the challenges presented in the SOFT model, and the work-life partner has implemented various strategies to counterbalance such challenges. Answering the first research question, “What are Monaliiku’s Sustainable strategies”: Monaliiku’s key financial sustainability strategies are revenue and donor diversification, partnership building, and saving plan. For programmatic sustainability, Monaliiku has adopted impact measurement, adaptability, and need-focused project planning.

Answering the second research question, “How do Monaliiku’s projects and activities aid in the organization’s sustainability”: The dual-bottom line matrix of Monaliiku depicts that the mission impact and profitability created by the projects and activities have been successful in aiding the organization’s sustainability. Other than creating a balance, the constant development of project methods, uniqueness, and providing low-threshold services also aids in maintaining sustainability. Furthermore, the findings of this thesis also highlight that most of the projects and activities of Monaliiku have high impact, higher demand, an increased number of participants, and have accomplished the organization’s mission.

This thesis clearly shows the link between identifying the challenges and formulating a sustainable strategy. This thesis also points that projects and activities of non-profit organizations should be designed in a way that creates a balance between financial and programmatic sustainability by giving equal importance to both mission impact and profitability. This case study of Monaliiku provides a reference for non-profit organizations, especially in Finland, to understand their organization’s mission and vision, resources, challenges, analyse their project and activities using a dual-bottom line matrix, which collectively helps to build and explore their sustainable strategy.

8.1 Professional development

The process of thesis writing has helped in my personal and professional growth. The entire thesis process was a good learning experience for me, and I have developed practical skills. Firstly, the thesis writing process has allowed me to know about myself, my weaknesses, and my academic writing strength. Furthermore, I also developed my communication, interview, report writing, and academic writing skills. The research process has helped to develop my reading and concentration power, which aid me in selecting the most relevant information.

The ethical considerations that I encountered in this thesis have provided valuable knowledge on ethical aspects of research writing process. This thesis writing has taught the process of doing the research ethically, such as taking permission and consent, keeping confidentiality and anonymity, the proper way of writing without any plagiarism.

This thesis has deepened my understanding of the non-profit sector in general and also different notions and factors that influence a non-profit organization's sustainability. Moreover, the research process helped me apply the theories I learned and explored at the beginning of the research into practice and understand how non-profit organizations work in real-life situations. Writing this thesis has made me a critical thinker. Most importantly, this thesis helped to open different opportunities and possibly a new career path for me in the field of non-profit sustainability.

8.2 Further research

Sustainability in a non-profit sector is a relevant topic, and there is a broad scope for further research. Firstly, interviews and data collection from more than one organization can be taken and analysed using a quantitative method. This makes the research more relevant to the entire non-profit sector in Finland.

Secondly, the non-profit sector and its sustainability can be compared and contrasted to Nordic or even European countries. Further research on this topic can offer insight into how the sustainability of non-profit sectors in Finland differs from other Nordic or European countries.

Thirdly, separate in-depth research of both financial sustainability and programmatic sustainability can also be done. Both financial and programmatic sustainability are essential aspects of an organization’s sustainability. Independent research on these topics would provide a deeper understanding of each subject.

Moreover, other aspects that influence the sustainability of non-profit organizations, such as leadership, marketing, stakeholder, investors, funders, or community engagement, can also be studied in detail.

8.3 Recommendation

Monaliiku is a sustainable organization running and providing services to its service users for more than a decade. According to this research and its findings, there are few recommendations that the author of this research wants to provide to its work-life partner and other non-profit organizations in Finland.

This thesis points out that funding is a significant challenge for Monaliiku. Therefore, Monaliiku needs to follow not only the strategy they already have but also explore different strategies such as conducting a fundraising event, door-to-door solicitation, and crowdfunding, besides diversifying its funders. Since Monaliiku is working with multicultural women from numerous countries, targeting international funds and platforms could be one option. Reaching international individuals as well as organizations outside of the EU could be the next step for Monaliiku. With this, Monaliiku can budget more amount to invest in technology and can surely reach an even bigger audience and help in creating visibility.

Taking the case study of Monaliiku Ry, non-profit organizations in Finland also need to recognize their challenges and adopt various strategies to offset the challenges. A non-profit organization in Finland, which has a low partnership with other non-profit organizations, can build and maintain partnerships which proved to be a successful strategy in the case of Monaliiku. Besides, they could also develop need-based projects and low-threshold activities and keep the uniqueness of the services. In this way, competition between non-profit organizations can be lower, and a cooperative environment between the non-profit sector can be created.

Non-profit organizations can use the dual-bottom line matrix or any similar analysing tool to better analyse their projects and activities. With this matrix, non-profit organizations can see a detailed portrait of their projects and the finance and mission impact, which helps understand the business model and make a better strategic decision.

Non-profit organizations provide an incalculable service to society. Therefore, the existence of non-profit organizations is crucial, especially during the financial crisis. The sustainability of non-profit organizations means the society they serve will continue to benefit from high-quality goods and services.

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10 APPENDIX

Appendix 1: Interview Guide 1/2

1. What is the mission or objective of Monaliiku?
2. What kinds of programs, projects, or training does Moniheli provide?
3. Do all programs meet the organization's mission and financial sustainability goals? Is there any program that only meets one criterion?
4. How have you dealt with the program which was not meeting the organization's impact goals and financial sustainability goals?
5. Who are the primary sources of funds for your organization? Has there been any issue in getting funding from individuals, private, or government? If so, what might be the reasons?
6. Other than funding, what are the challenges you see for non-profit organizations in Finland? Did Moniliiku face similar challenges, and how did your organization tackle such challenges? Main strategies.
7. I want to ask one hypothetical question where we assume that no new programs or funding/ revenue schemes are added, then how long will Moniheli sustain with its existing operations and funding/revenue schemes?
8. According to you, what is the most important criteria/strategy for a non-profit organization to sustain for an extended period? Any suggestions for new NPOs.

Appendix 2: Interview Guide 2/2

1. Would you describe Monaliiku as a competitive organization or a more collaborative organization? Why?
2. How has the Corona Virus affected the company? Are you running all the programs or activities online?
3. How has coronavirus changed your action plan for this year? Has there been any temporary or permanent change or in terms of funding?

4. Do you take feedback from clients after conducting each program or activity? And have you changed the structure of any program or activities after realizing that the clients want something different?
5. Do you have many funding sources that include private, public, national, international funders and sponsors??
6. Do you have many long-term funders (more than two years) or more short-term funders?
7. What sort of technological challenges does Monaliiku face? What have you done to overcome the challenges?
8. What kind of strategies do you adopt when developing and running a project?
9. What kind of strategies do you have to offset/overcome the financial difficulties?
10. How do you engage your stakeholders, for example, funders, sponsors? How often do you communicate with your stakeholders?