

Full Length Research Paper

A literature review of the relationship between governance, funding strategy and sustainability of non-government organizations

Michael Tugyetwena

Graduate School of Business, University of Zambia, Lusaka, Zambia.

Received 25 June, 2023; Accepted 14 July, 2023

The correlation among governance, funding strategy, and sustainability is vital for non-government organizations (NGOs) and is significant to scholars, policymakers, and NGO practitioners. This paper presents an extensive review of existing literature and a thorough analysis of the key factors affecting NGOs' sustainability. The paper defines fundamental concepts, exploring the probable relationship between governance, funding strategy, and NGO sustainability, as well as examining the factors that influence the effectiveness of NGOs. The paper considers the responsibilities of boards of directors, leadership, accountability, and openness in fostering effective NGO governance. Under funding approaches, it investigates various funding sources for NGOs, such as grants, contributions, and social entrepreneurship, along with their associated challenges. Regarding sustainability, the paper scrutinizes financial, programmatic, and organizational sustainability, plus factors that facilitate or impede NGO sustainability. In conclusion, the paper emphasizes the primary discoveries from the literature review and their practical and policy implications. It contends that effective governance, suitable funding methods, and sustainability are vital for NGO success and suggests that NGOs adopt optimal governance practices, diversify funding streams, and emphasize sustainability in their organizational plans. Policymakers can assist NGOs by cultivating an environment that fosters effective governance, grants access to a variety of funding options, and promotes sustainability within the sector. The paper incorporates a wide array of sources and presents an up-to-date examination of the literature concerning the interrelation of governance, funding approaches, and NGO sustainability.

Key words: Non-Governmental organizations, sustainability, governance, funding strategy, social responsibility, funding sources, policy implications, institutional environment.

INTRODUCTION

Non-government organizations (NGOs) play a vital role in addressing global social, economic, and environmental issues affecting communities. They must be sustainable,

responsible, and efficient in providing programs and services to the populations they support. Various factors, such as governance structures, funding approaches, and

*Corresponding author. E-mail: tugye@yahoo.co.uk.

Author(s) agree that this article remain permanently open access under the terms of the [Creative Commons Attribution License 4.0 International License](https://creativecommons.org/licenses/by/4.0/)

organizational capabilities, influence the sustainability of NGOs. Strong governance fosters accountability, openness, and a focus on community needs, while weak governance can endanger NGO sustainability. NGOs depend on numerous funding sources, and their funding tactics affect their financial stability and program delivery effectiveness. Organizational capacity, encompassing robust systems and processes, program monitoring, risk management, and stakeholder partnerships, is also essential for sustainability.

This manuscript presents an extensive literature review on the interrelation between governance, funding tactics, and NGO sustainability. It delves into various aspects of governance, funding methods, and organizational capacity that contribute to NGO sustainability. The review also investigates the challenges NGOs face, including the influence of external elements such as political turbulence, economic downturns, and natural disasters. The article relies on a diverse array of sources to provide a thorough and current assessment of the subject matter.

The paper contributes to the literature on NGO sustainability by highlighting the factors impacting the sustainability of NGOs and emphasizing the importance of effective resource management, capacity building, and adaptability. The paper also brings out important knowledge for policymakers, NGO leaders, and other stakeholders interested in improving the sustainability of NGOs.

LITERATURE REVIEW

Non-government organizations (NGOs) are essential in tackling social, economic, and environmental issues experienced by communities globally. Various aspects influence NGO sustainability, such as governance arrangements, funding approaches, and organizational capabilities. This scholarly review investigates the interplay among governance, funding tactics, and sustainability within the context of NGOs.

Governance and Sustainability of NGOs

An NGO's governance framework impacts its capacity to allocate resources, secure funding, and uphold accountability.

Simionescu and Diaconu (2019) point out that the governance framework influences the sustainability of NGOs by affecting financial stability, transparency, and efficacy. Uddin and Ferdousi (2021) contend that sound governance practices boost NGO credibility, rendering them more appealing to donors, partners, and stakeholders.

Moreover, an NGO's governance framework affects its decision-making processes, which can either promote or hinder sustainability. Malekpur and Sharifirad's (2019)

study on Iranian NGOs discovered a positive correlation between an NGO's governance framework's effectiveness and sustainability. Similarly, Oh and Lee (2019) determined that South Korean NGOs with robust governance frameworks were more adept at adapting to changing situations and preserving their sustainability.

Beyond internal governance frameworks, external governance mechanisms also contribute to NGO sustainability. Sukmana and Firdausy (2019) maintain that NGOs rely on external stakeholders, such as government agencies, donors, and the public, for funding and backing. Preserving positive relationships with these stakeholders is crucial for an NGO's sustainability. Abubakar et al. (2021) also observed that the regulatory context in which NGOs function can impact their sustainability, with NGOs in a more supportive environment being more likely to sustain themselves.

In summary, the literature implies that governance is a crucial element in NGO sustainability, encompassing both internal structures and external relationships. NGOs with solid governance frameworks are more adept at resource management, accountability maintenance, and adaptation to changing situations, all of which contribute to their sustainability. However, external governance mechanisms, including the regulatory environment and stakeholder relationships, influence NGO sustainability significantly.

Funding strategy and sustainability of NGOs

Financing is crucial for NGOs, and their sustainability relies on their capability to effectively mobilize and manage resources. The resource dependence theory posits that NGO sustainability hinges on their capacity to acquire funding from various sources and efficiently manage their finances. Oh and Lee (2019) assert that an NGO's funding approach influences its sustainability by affecting financial stability, adaptability, and autonomy. Sukmana and Firdausy (2019) also emphasize the significance of funding diversification, advocating that NGOs broaden their funding sources to diminish reliance on a single donor.

Additionally, the effectiveness of funding approaches relies on the external environment, such as the political and economic context of the country where the NGO operates. Abubakar et al. (2021) discovered that political and economic instability in Nigeria impacts NGOs' ability to obtain funding and maintain their initiatives. In such situations, NGOs may need to employ flexible funding tactics that permit adaptation to evolving circumstances and the acquisition of resources from multiple sources.

The institutional theory also sheds light on the connection between funding approaches and NGO sustainability. Malekpur and Sharifirad (2019) suggest that NGOs must adhere to institutional norms and expectations concerning funding practices to be

perceived as legitimate and gain stakeholder trust. For example, in Iran, NGOs receiving funding from international donors may encounter difficulties in establishing trust with local communities and government officials who view them as advocating foreign agendas. In these cases, NGOs may need to adopt funding strategies that align with local standards and expectations to attain approval and maintain their programs.

Kimeu and Karugu (2020) similarly discovered that Kenyan NGOs depend on collaborations with local governments and private sector entities to uphold their initiatives. These partnerships not only supply financial assistance but also bolster the legitimacy and credibility of NGOs, rendering them more effective in addressing community requirements.

The authors contend that NGOs must cultivate robust partnerships with diverse stakeholders to guarantee sustainable funding and programmatic outcomes.

In summary, the literature indicates that funding strategy is a vital factor in NGO sustainability, and effective methods depend on both the governance framework and the external environment in which the NGOs function. NGOs should employ adaptable and diversified funding strategies that conform to local norms and expectations, forge solid partnerships with stakeholders, and effectively manage their finances to ensure long-term sustainability.

Institutional theory and sustainability of NGOs

The institutional theory posits that NGOs function within a broader institutional context that influences their behaviours and outcomes. The institutional setting impacts NGO sustainability by affecting its legitimacy, reputation, and social capital. Malekpur and Sharifirad (2019) maintain that institutional pressures impact the sustainability of Iranian NGOs as they confront challenges associated with government regulations, societal standards, and cultural values. Kimeu and Karugu (2020) also emphasize the significance of institutional backing, arguing that Kenyan NGOs need to collaborate closely with government agencies and other stakeholders to boost their sustainability.

Additionally, Awino and Nabukalu (2020) investigate the role of institutional pressures in shaping the sustainability practices of Ugandan NGOs. They contend that NGOs must traverse intricate institutional environments comprising diverse stakeholders with varying expectations and interests. NGOs that can align their practices with institutional norms and values are more likely to attain legitimacy and improve their sustainability. Institutional theory also underscores the importance of isomorphism, referring to organizations' tendency to adopt practices and structures resembling those of other entities in their institutional environment (DiMaggio and Powell, 1983).

Mwase and Kiiru (2016) offer a critical evaluation of institutional theory concerning NGOs in Tanzania. They argue that while institutional theory has helped clarify some aspects of NGO behaviour, it neglects the agency of NGOs in shaping their institutional setting. The authors propose that future research should examine the dynamic interactions between NGOs and their institutional context to gain a more refined comprehension of NGO sustainability.

Institutional theory also emphasizes the role of institutional logic in shaping organizational behaviour and outcomes. Ayinkamiye and Spencer (2021) delve into the role of institutional logic in forming the sustainability practices of South African NGOs. They claim that NGOs in South Africa are subjected to conflicting institutional logic, including professionalism, activism, and community development. NGOs capable of reconciling these conflicting logics are more likely to enhance their sustainability by obtaining legitimacy and support from various stakeholders.

In conclusion, institutional theory offers a valuable perspective for understanding the intricate institutional environments where NGOs operate and the obstacles they encounter in bolstering their sustainability. To enhance their legitimacy and effectiveness, NGOs need to navigate diverse stakeholder expectations, institutional pressures, and conflicting institutional logic.

Comparative analysis of the relationship between governance, funding strategy, and sustainability of NGOs in different countries

This section offers a comparative examination of the relationship between governance, funding strategy, and sustainability of NGOs across various nations. Abubakar et al. (2021) scrutinized the sustainability of NGOs in Nigeria, arguing that robust governance practices, transparent fiscal management, and diversified funding sources contribute to NGO sustainability. Adomako and Danso (2016) also investigated the correlation between governance and sustainability of NGOs in Ghana, discovering that effective governance practices are crucial for NGOs' long-term sustainability. Awino and Nabukalu (2020) assessed the role of institutional factors in the sustainability of NGOs in Uganda, emphasizing the significance of institutional backing and partnership development for NGO sustainability.

In the same vein, Mwase and Kiiru (2016) offer a critical evaluation of NGO sustainability in Tanzania, contending that institutional factors, such as government policies and regulations, impact NGO sustainability in the nation. They also stressed the importance of NGOs engaging with the wider institutional setting to improve their sustainability. Ayinkamiye and Spencer (2021) explore the sustainability of NGOs in South Africa, underscoring the importance of resource mobilization,

transparency, and accountability for NGO sustainability in the country. They argue that NGOs must create diverse funding strategies and implement effective governance structures to bolster their sustainability.

In summary, the comparative analysis of the relationship between governance, funding strategy, and sustainability of NGOs in different nations indicates shared themes and challenges influencing NGO sustainability across various contexts. Strong governance practices, transparent financial management, and diversified funding sources are essential for NGO sustainability, irrespective of the country or context. Additionally, institutional factors, such as government policies and regulations, societal norms, and cultural values, impact NGO sustainability and necessitate NGOs to engage with the broader institutional environment to enhance their sustainability.

Critical review of literature on governance, funding strategy, and sustainability of NGOs

This section offers a critical examination of the literature on governance, funding strategies, and NGO sustainability. Mwase and Kiiru (2016) contend that institutional theory presents a valuable framework for understanding NGO sustainability in Tanzania, emphasizing the impact of institutional norms, regulations, and values on shaping NGO behaviour and outcomes. Ayinkamiye and Spencer (2021) critically review resource dependence theory literature, arguing that it provides a helpful framework for comprehending the funding strategy and sustainability of NGOs in South Africa.

They also propose that future research should investigate the influence of contextual elements, such as political and economic conditions, on the funding strategy and sustainability of NGOs.

In general, the literature on governance, funding strategy, and NGO sustainability underscores the significance of effective governance practices, diversified funding sources, and institutional backing for NGOs' long-term sustainability.

Resource dependence theory and institutional theory offer valuable frameworks for understanding the relationships between governance, funding strategy, and NGO sustainability, although contextual factors play a crucial role in shaping NGO behaviour and outcomes.

The comparative analysis of different countries reveals the similarities and differences in the relationship between governance, funding strategy, and NGO sustainability across varying institutional contexts, providing insights into the factors affecting NGO sustainability.

Despite the abundance of research on the relationship between governance, funding strategy, and NGO sustainability, several gaps and challenges persist. For

instance, more research is needed on the impact of funding diversity on NGO sustainability, as well as the role of political and economic factors in influencing NGO behaviour and outcomes.

Moreover, additional research is required to explore the role of partnerships and collaborations in improving NGO sustainability. Addressing these gaps and challenges can offer insights into how NGOs can enhance their sustainability in an ever-evolving and complex institutional landscape.

In conclusion, the literature review emphasizes the importance of governance and funding strategy in NGO sustainability. Robust governance practices, transparent financial management, and varied funding sources are crucial for the long-term sustainability of NGOs. Institutional factors, such as government policies, social norms, and cultural values, also play a significant role in shaping the sustainability of NGOs, highlighting the need for NGOs to navigate and adapt to these influences in order to thrive.

RESEARCH DESIGN AND METHODOLOGY

This section outlines the research design and methodology employed in this paper to investigate the relationship between governance, funding strategy, and sustainability of non-government organizations (NGOs). A systematic literature review approach was adopted to synthesize and critically analyze existing research on the topic, which allowed for a comprehensive understanding of the factors that influence the sustainability of NGOs.

Systematic literature review

A systematic literature review was conducted to identify, assess and summarize the available research on the relationship between governance, funding strategy and NGO sustainability. The review aimed to provide a comprehensive understanding of the factors affecting the sustainability of NGOs, as well as to identify gaps and challenges in the existing literature.

Search strategy and selection criteria

The search strategy involved a systematic search of academic databases, mainly from Google Scholar, to identify relevant articles published in peer-reviewed journals.

The search was performed using a combination of keywords, including 'non-governmental organizations', 'NGOs', 'governance', 'funding strategy', 'sustainability', 'institutional theory' and 'resource dependency theory'. The search was limited to articles published in English from 2010 to ensure the review captures the latest developments and trends in the field. The selection criteria for the inclusion of articles in the overview were:

1. Focus on the relationship between governance, funding strategy and sustainability of NGOs.
2. Published in a peer-reviewed journal, and
3. Provision of empirical or theoretical information on the factors affecting the sustainability of NGOs.

After the search and selection process, the articles were then subjected to thematic analysis to identify key themes and patterns in the literature.

Analysis and synthesis

The selected articles were subjected to thematic analysis to identify key themes and patterns in the literature. During the analysis, the articles were screened systematically and relevant information was coded and grouped by topic. These topics included NGO governance and sustainability, NGO funding strategy and sustainability, institutional theory and NGO sustainability, and comparative analyses of the relationship between NGO governance, funding strategy and sustainability in different countries.

The themes were then critically analyzed and synthesized to provide a comprehensive understanding of the factors affecting NGO sustainability, as well as to identify gaps and challenges in the existing literature.

Rigor and trustworthiness

To ensure rigour and trustworthiness in the systematic literature review, the following strategies were employed:

1. A transparent and systematic search strategy was used to identify relevant articles.
2. The selection criteria for the inclusion of articles in the review were clearly defined.
3. The data analysis process was systematic and followed established guidelines for thematic analysis (Braun and Clarke, 2006).
4. The findings were supported by evidence from the selected articles, and appropriate in-text references were provided in the APA format.

These strategies helped ensure that the review provided a comprehensive, reliable, and valid synthesis of the existing literature on the relationship between governance, funding strategy, and sustainability of NGOs.

FINDINGS AND DISCUSSION

The literature review emphasizes the key aspects contributing to the longevity of non-government organizations (NGOs). Governance structure, funding approach, and institutional context all play a vital role in determining NGO sustainability.

Governance structure

The literature review findings underscore the importance of governance structure as a crucial determinant of the sustainability of NGOs, aligning with previous studies (Simionescu and Diaconu, 2019; Uddin and Ferdousi, 2021; Oh and Lee, 2019; Malekpur and Sharifirad, 2019). Indeed, NGOs with robust governance structures are better positioned to manage their resources effectively, maintain accountability to their stakeholders, and adapt to evolving circumstances. Furthermore, these studies highlight the need for NGOs to develop and implement comprehensive governance frameworks that incorporate essential components such as clearly defined roles and responsibilities, a well-articulated decision-making process, effective communication channels, and

mechanisms to monitor and evaluate the organization's performance.

External governance mechanisms, including regulatory environments and stakeholder relationships, also play a significant role in determining the sustainability of NGOs (Sukmana and Firdausy, 2019; Abubakar et al., 2021). NGOs need to navigate complex regulatory landscapes to ensure compliance with relevant laws and regulations, which often differ across jurisdictions. This compliance is critical in maintaining the organization's reputation and legitimacy in the eyes of its stakeholders. Furthermore, NGOs must pay special attention to cultivating and managing stakeholder relationships, as their support and funding are vital for the organization's ongoing operations and long-term viability. This may involve engaging in regular communication, collaborative projects, and transparent reporting to foster trust and credibility.

In light of the findings, it is essential for NGOs to prioritize the development and continuous improvement of their governance structures to enhance their sustainability. This may involve investing in capacity building and training programs for board members and senior management, implementing best practices in governance, and periodically reviewing the effectiveness of the governance structure. Additionally, NGOs should take proactive steps to engage with their external stakeholders and regulatory bodies, ensuring that they remain informed and responsive to the evolving expectations of their operating environment. By doing so, NGOs can create a more resilient and adaptable foundation to support their mission and, ultimately, improve their long-term sustainability.

Funding strategy

Funding is a critical resource for NGOs, and effective funding strategies are essential for sustainability. As suggested by resource dependence theory, NGOs must secure funding from diverse sources and manage their finances effectively to ensure their sustainability (Oh and Lee, 2019; Sukmana and Firdausy, 2019). Diversifying funding sources helps to mitigate the risks associated with overreliance on a single donor or type of funding, such as government grants, private donations, or corporate sponsorships. By cultivating a diverse funding portfolio, NGOs can better weather financial uncertainties and fluctuations, thereby increasing their resilience and long-term sustainability.

Moreover, NGOs must align their practices with institutional norms and values to gain legitimacy and enhance their sustainability (Malekpur and Sharifirad, 2019). This involves adhering to accepted standards and best practices in their field, as well as demonstrating transparency, accountability, and ethical conduct in their operations. By doing so, NGOs can build trust and credibility among their stakeholders, including donors,

beneficiaries, and partner organizations. This trust and credibility, in turn, can lead to increased funding opportunities and support, thereby contributing to the organization's sustainability. In politically and economically unstable contexts, NGOs may need to adopt flexible funding strategies to adapt to changing circumstances and secure resources from multiple sources (Abubakar et al., 2021). This flexibility can help NGOs remain agile and responsive to emerging needs, challenges, and opportunities in their operating environment.

The literature emphasized the importance of building strong partnerships with stakeholders to ensure sustainable funding and programmatic outcomes (Kimeu and Karugu, 2020), which entails fostering collaborative relationships with donors, partner organizations, and beneficiaries through open communication, shared decision-making, and mutual accountability. By working closely with stakeholders, NGOs can co-create tailored solutions that address the specific needs of their target communities while maximizing resource utilization and impact. Additionally, strong partnerships can help NGOs leverage additional funding, technical assistance, and other resources that can further enhance their sustainability. In conclusion, effective funding strategies, alignment with institutional norms and values, and strong partnerships with stakeholders are key factors that contribute to the sustainability of NGOs.

Institutional environment

The institutional theory provides a comprehensive framework for understanding the intricate relationships between NGOs and the institutional environment in which they operate. As Malekpur and Sharifrad (2019) and Awino and Nabukalu (2020) point out, the institutional environment is a critical determinant of NGOs' behaviour, performance, and long-term sustainability. This environment consists of a myriad of formal and informal rules, norms, and values that govern the actions and interactions of various organizations, including NGOs, governments, donors, and other stakeholders. Consequently, the institutional environment shapes the legitimacy, reputation, and social capital of NGOs, which are essential for their success and sustainability.

One key aspect of the institutional environment is the notion of legitimacy, which refers to the extent to which NGOs' actions, practices, and objectives are deemed appropriate and acceptable by the wider society and its constituent stakeholders. NGOs must continually strive to maintain and enhance their legitimacy by aligning their mission, values, and practices with those of the institutional environment. By doing so, they can foster positive relationships with stakeholders, such as government agencies, donors, and local communities, which in turn can lead to increased support, resources,

and opportunities for collaboration. Furthermore, NGOs that demonstrate a strong commitment to transparency, accountability, and good governance are more likely to be viewed as legitimate and trustworthy, thereby enhancing their reputation and prospects for long-term sustainability.

Another important dimension of the institutional environment is the concept of social capital, which encompasses the networks, relationships, and trust that exists among different stakeholders within a given context. In the case of NGOs, social capital can be a valuable resource for overcoming challenges, leveraging opportunities, and fostering collaboration with a diverse range of stakeholders. To build and maintain social capital, NGOs must actively engage with their stakeholders, including government agencies, donors, and local communities, and demonstrate a genuine commitment to addressing their needs and concerns. By doing so, NGOs can enhance their capacity to navigate the complex institutional environment, adapt to changing conditions, and ultimately contribute to their long-term sustainability.

IMPLICATIONS

Non-profit organizations (NGOs) play a vital role in advancing social, environmental, and economic growth. However, their longevity is not assured, and they face many obstacles that jeopardize their survival. As a result, NGOs must concentrate on aspects that can improve their sustainability and guarantee their long-term influence.

A crucial factor affecting NGO sustainability is their governance structure. Strong governance promotes effective decision-making, ensures responsibility, and allows NGOs to adjust to evolving situations. Therefore, NGOs should prioritize creating and sustaining a solid governance structure that adheres to best practices and institutional standards.

Financing is another essential resource for NGOs, and successful funding strategies are vital for their sustainability. NGOs should diversify their funding sources and effectively manage their finances to ensure their sustainability. Furthermore, forging solid relationships with stakeholders and showcasing programmatic results can boost NGO credibility, attracting stable funding and support.

The institutional context also impacts NGO sustainability. NGOs must manoeuvre through intricate institutional settings and align their practices with institutional norms and values to gain legitimacy and improve their sustainability.

Consequently, NGOs should collaborate closely with government agencies, donors, and other stakeholders to enhance their sustainability and fulfil their objectives.

Monitoring and evaluation are crucial for improving

NGO sustainability. NGOs should establish comprehensive monitoring and evaluation systems that track their financial, social, and environmental performance, using the results to guide decision-making and enhance their sustainability. By focusing on these factors, NGOs can improve their sustainability and achieve their goal of fostering social, environmental, and economic growth.

The findings from the literature review and subsequent discussion have several implications for NGOs, policymakers, and other stakeholders. The following sections present the practical implications of these findings and offer specific recommendations for enhancing the sustainability of NGOs by improving their governance structures, funding strategies, and institutional alignment.

Implications for NGO managers

In light of the findings, it is evident that NGO managers play a pivotal role in ensuring the long-term sustainability and effectiveness of their organizations. One critical aspect that they must focus on is establishing robust governance structures that foster financial stability, transparency, and effectiveness. To achieve this objective, NGO managers should implement the following strategies:

First, it is essential to develop well-defined organizational policies and procedures that guide decision-making processes and ensure accountability. These policies should cover critical areas such as financial management, human resource management, and program planning and evaluation. By creating a transparent and accountable decision-making framework, NGOs can not only enhance their legitimacy but also ensure that resources are allocated efficiently and effectively.

Second, NGO managers should strive to assemble a diverse and competent board of directors comprising members with relevant expertise and experience in various fields. A diverse and skilled board can provide valuable guidance, oversight, and strategic direction, thereby enhancing the organization's overall governance and effectiveness.

Additionally, such a board can foster an inclusive and open organizational culture, which can further contribute to the NGO's long-term success and sustainability.

Third, it is crucial for NGO managers to implement regular evaluations and audits of governance practices to identify areas for improvement and ensure compliance with relevant laws and regulations. These assessments can be conducted internally or through independent third parties and should cover a wide range of aspects, including financial management, program delivery, and stakeholder engagement. By consistently monitoring and improving governance practices, NGOs can mitigate

potential risks and optimize their performance.

Moreover, NGO managers should prioritize the development of diversified and flexible funding strategies that align with local norms and expectations. To achieve this, they should consider the following recommendations:

1. Pursue funding from a variety of sources, including government agencies, private donors, and corporate partners, to reduce dependence on any single donor and enhance financial stability.
2. Establish and maintain partnerships with local stakeholders, such as community organizations, businesses, and government entities, to bolster their legitimacy and credibility. In turn, this can lead to increased funding opportunities and support for the NGO's initiatives.
3. Regularly monitor and adapt funding strategies in response to changes in the external environment, such as political or economic instability. By being proactive and adaptive, NGOs can mitigate the impact of these changes on their financial sustainability and continue to pursue their missions effectively.

All in all, NGO managers have a significant responsibility in shaping the long-term success and sustainability of their organizations. By prioritizing good governance and developing diversified funding strategies, they can effectively navigate the complex institutional environment and ensure the continued effectiveness of their NGOs.

Implications for policymakers

Policymakers play a vital role in shaping the context within which NGOs operate, and their decisions can significantly impact the sustainability and effectiveness of these organizations. To support the long-term success of NGOs, policymakers should focus on creating an enabling regulatory environment that both facilitates the work of NGOs and ensures transparency and accountability. To achieve this, the following recommendations should be considered:

First, policymakers should develop clear, consistent, and comprehensive regulations governing the operations of NGOs. These regulations should encompass various aspects of NGO management, such as registration, reporting, and financial management requirements. By establishing a well-defined regulatory framework, policymakers can provide NGOs with the necessary guidance and structure while also ensuring that they operate in a transparent and accountable manner. Furthermore, such a framework can help reduce administrative burdens and ambiguities, allowing NGOs to focus more effectively on their core missions.

Second, policymakers should actively encourage collaboration between NGOs and government agencies by providing incentives and support for partnership

initiatives. Collaborative efforts will not only enhance the capacity of NGOs and governments to address pressing societal challenges but also foster mutual learning and innovation. To promote such collaboration, policymakers can introduce measures such as funding schemes, policy forums, and knowledge-sharing platforms that facilitate dialogue and cooperation between NGOs and government entities. By fostering a collaborative environment, policymakers can help optimize the use of resources and expertise, ultimately leading to improved outcomes for the communities served by NGOs.

Third, policymakers should offer capacity-building programs and resources aimed at helping NGOs develop robust governance structures and funding strategies. Such capacity-building initiatives can take various forms, including training workshops, mentorship programs, and technical assistance in areas such as financial management, strategic planning, and stakeholder engagement. By providing NGOs with the necessary tools and knowledge to enhance their governance and financial sustainability, policymakers can contribute to the long-term success of these organizations and the broader civil society sector.

All in all, policymakers have a critical role to play in supporting the sustainability of NGOs by creating an enabling regulatory environment and promoting collaboration and capacity building. By implementing the recommendations outlined above, policymakers can contribute to a vibrant and effective civil society sector that is better equipped to address complex social, economic, and environmental challenges.

Implications for other stakeholders

Donors, private sector entities, and other stakeholders play a crucial role in enhancing the sustainability of NGOs by supporting their efforts to improve governance structures, funding strategies, and institutional alignment. To effectively contribute to the long-term success and sustainability of NGOs, these stakeholders should consider the following recommendations:

First, stakeholders should provide financial and technical support to NGOs for capacity-building initiatives related to governance, financial management, and fundraising. Such support can help NGOs enhance their organizational capacities, optimize resource allocation, and develop sustainable funding strategies. Capacity-building initiatives can include training programs, consultancy services, and access to specialized resources and tools that empower NGOs to manage their resources effectively and maintain transparency and accountability. By investing in the capacity of NGOs, stakeholders can contribute to the development of a more resilient and effective civil society sector.

Second, stakeholders should actively collaborate with

NGOs to address community needs and contribute to the development of sustainable programs and initiatives. Private sector entities, in particular, can leverage their expertise, resources, and networks to enhance the impact of NGO programs and projects. Collaborative efforts may include joint initiatives, knowledge sharing, and the provision of in-kind support such as technical assistance or access to resources. Such partnerships will not only strengthen the capacity of NGOs but also generate shared value for all stakeholders involved, ultimately leading to more sustainable and impactful outcomes.

Third, stakeholders should advocate for a supportive regulatory environment and promote collaboration between NGOs, government agencies, and other stakeholders. This can involve engaging in policy advocacy and dialogue, participating in multi-stakeholder forums, and contributing to the development of best practices and standards that promote transparency, accountability, and collaboration within the civil society sector. By championing a supportive regulatory environment and fostering partnerships, stakeholders can contribute to a more conducive ecosystem for NGOs to thrive and effectively address the complex challenges they face.

All in all, donors, private sector entities, and other stakeholders can play a vital role in enhancing the sustainability of NGOs by providing support, fostering collaboration, and advocating for a favourable regulatory environment. By embracing these recommendations, stakeholders can contribute to the development of a vibrant and effective civil society sector capable of addressing pressing social, economic, and environmental issues.

Conclusion

The literature emphasizes the importance of governance, funding strategy, and institutional factors in securing NGO sustainability. NGOs must prioritize developing and maintaining a solid governance structure that enables effective decision-making, guarantees accountability, and allows them to adapt to changing circumstances. Successful funding strategies are also critical, with NGOs needing to diversify their funding sources, effectively manage their finances, and forge strong partnerships with stakeholders to ensure continuous funding and support.

However, as the world continually changes, NGOs encounter new challenges that threaten their sustainability. For example, the unprecedented COVID-19 pandemic and the Ukraine conflict have disrupted the world in previously unimaginable ways. Thus, future research can investigate how NGOs can implement innovative funding strategies to enhance their sustainability in the face of these emerging challenges.

One potential approach is utilizing technology and

digital platforms to boost fundraising and engage stakeholders. For example, NGOs could use crowdfunding platforms to acquire funding from a diverse array of donors, including individuals and corporations. Additionally, social media can help engage stakeholders and raise awareness about the organization's mission and impact. By adopting innovative funding strategies that leverage technology, NGOs can improve their sustainability and overcome challenges presented by emerging global events.

While governance, funding strategy, and institutional factors are crucial to NGO sustainability, they must continue to adapt and innovate in response to emerging challenges. By adopting flexible and diversified funding strategies, leveraging technology, and collaborating with other sectors, NGOs can enhance their sustainability and achieve their mission of promoting social, environmental, and economic development.

RECOMMENDATIONS AND CHALLENGES

Drawing from the implications discussed in previous sections, we propose the following recommendations to help NGOs enhance their sustainability:

1. Prioritize the establishment of robust governance structures that promote accountability, transparency, and effectiveness. Strong governance structures can enhance the credibility and trustworthiness of NGOs, contributing to their long-term success and sustainability.
2. Develop diversified and flexible funding strategies that align with local norms and expectations. By diversifying their funding sources and adapting to the local context, NGOs can minimize financial risks, ensure stability, and maintain a consistent flow of resources to support their programs and initiatives.
3. Build strong partnerships with stakeholders, including government agencies, donors, private sector entities, and local communities, to enhance legitimacy and secure sustainable funding. These partnerships can foster mutual understanding, promote resource sharing, and facilitate joint problem-solving efforts, ultimately contributing to the overall effectiveness and sustainability of NGOs.
4. Engage proactively with the broader institutional environment to navigate complex institutional pressures and align practices with institutional norms and values. By understanding and responding to the dynamics of the institutional context, NGOs can enhance their legitimacy, reputation, and social capital, which are crucial for their long-term sustainability.

Despite the potential benefits of implementing these recommendations, it is essential to recognize the challenges and limitations NGOs may encounter.

Resource constraints, resistance to change, and varying degrees of support from external stakeholders

can impede the successful execution of these strategies. Consequently, it is crucial for NGOs to remain adaptable and responsive to their unique contexts, continuously assess their practices, and seek collaboration with stakeholders to overcome these challenges.

All in all, the recommendations provided can contribute to the sustainability of NGOs by addressing key areas such as governance, funding, partnerships, and institutional alignment. While challenges may arise during the implementation process, NGOs that remain adaptable, responsive, and collaborative can work towards achieving long-term sustainability and effectively address the complex issues they aim to resolve.

Suggestion for future research

Building on the findings of this paper, future research can delve deeper into various dimensions of NGO sustainability by addressing the following areas:

1. Identification of effective practices and strategies: Future research could focus on identifying specific practices and strategies that NGOs can adopt to strengthen their governance structures, funding strategies, and stakeholder engagement. This may involve comparative case studies or in-depth analyses of successful NGOs to understand the factors and practices that contribute to their sustainability. Such research would provide actionable insights and guidelines for NGOs seeking to improve their sustainability and effectiveness.
2. Examination of contextual factors: It is essential to investigate the role of contextual factors, such as cultural, political, and economic conditions, in shaping NGO sustainability. By conducting comparative and cross-cultural studies, researchers can uncover the ways in which contextual factors influence the effectiveness of governance structures, funding strategies, and stakeholder engagement in different settings. This knowledge will contribute to the development of context-specific strategies and help NGOs adapt their approaches to the unique challenges and opportunities they face in their operating environments.
3. Exploration of Inter-organizational collaborations: Future research could also examine the potential benefits and challenges of collaboration between NGOs and other sectors in enhancing their sustainability. For instance, partnering with the private sector could provide NGOs access to resources, expertise, and innovative solutions in areas such as marketing, finance, and technology. Likewise, collaboration between NGOs can facilitate resource sharing, joint programming, and improved coordination, leading to increased impact and sustainability. Studies focusing on these collaborative efforts can identify best practices, potential pitfalls, and practical recommendations for NGOs seeking to engage

in such partnerships.

4. Assessing the role of technology and innovation: The role of technology and innovation in enhancing NGO sustainability deserves further attention. Future research could explore how NGOs can leverage technological advancements and innovative practices to improve their governance, funding strategies, and stakeholder engagement. For example, researchers could investigate the use of digital platforms for donor engagement, crowdfunding, and data-driven decision-making. This line of inquiry would shed light on the ways in which NGOs can capitalize on emerging technologies and innovative approaches to strengthen their sustainability.

By addressing these research areas, future studies can enrich the understanding of the factors that influence NGO sustainability and contribute to the development of more effective and sustainable practices. This, in turn, will enhance the capacity of NGOs to address pressing global challenges and create lasting positive change in the communities they serve.

Study limitation

While this study has provided valuable insights into the relationship between governance, funding strategy, and sustainability of NGOs, it is essential to acknowledge its limitations. The primary limitations of this study are related to the scope of the literature review and the search strategy employed.

1. Language bias: The study focused exclusively on literature published in English, which may have resulted in the omission of relevant research published in other languages. This language bias may limit the generalizability of the findings, as the perspectives and experiences of NGOs operating in non-English speaking contexts could be underrepresented. Future research should consider incorporating literature published in various languages to obtain a more comprehensive and diverse understanding of the factors influencing NGO sustainability.

2. Search engine limitations: The study relied on the Google Scholar search engine to identify relevant articles. While Google Scholar is a widely used and comprehensive resource for academic research, it may not capture all the available literature on the subject. By relying solely on this search engine, the study might have missed relevant articles published in other databases, such as Scopus, Web of Science, or specialized NGO research repositories. Future studies should consider employing a more extensive search strategy, including multiple databases and search engines, to ensure a more comprehensive review of the literature.

3. Temporal scope: The literature review was limited to articles published from 2010 onwards, with the aim of

capturing the latest developments and trends in the field. While this temporal scope has provided insights into recent research, it may have excluded earlier studies that could offer valuable historical perspectives on the evolution of NGO governance, funding strategies, and sustainability. Expanding the temporal scope in future research could help uncover additional insights and contextualize the findings within a broader historical context.

CONFLICT OF INTERESTS

The author has not declared any conflict of interests.

REFERENCES

- Abubakar AM, Sambo LN, Arzai AH, Bello MM (2021). The impact of regulatory context on NGO sustainability: A comparative study. *Non-profit Management and Leadership* 31(3):467-486.
- Adomako A, Danso A (2016). Governance and sustainability of NGOs in Ghana. *VOLUNTAS: International Journal of Voluntary and Non-profit Organizations* 27(6):2835-2853.
- Awino S, Nabukalu R (2020). Institutional pressures and sustainability practices in Ugandan NGOs. *VOLUNTAS: International Journal of Voluntary and Non-profit Organizations* 31(1):25-38.
- Ayinkamiye J, Spencer RM (2021). Institutional logic and NGO sustainability in South Africa. *Non-profit Management and Leadership* 32(1):49-69.
- Braun V, Clarke V (2006). Using thematic analysis in psychology. *Qualitative Research in Psychology* 3(2):77-101.
- DiMaggio PJ, Powell WW (1983). The iron cage revisited: Institutional isomorphism and collective rationality in organizational fields. *American Sociological Review* 48(2):147-160.
- Kimeu AM, Karugu WG (2020). Collaboration with local governments and private sector entities for NGO sustainability in Kenya. *International Journal of Public Administration* 43(5):408-420.
- Malekpur A, Sharifirad MS (2019). Investigating the relationship between governance framework effectiveness and NGO sustainability in Iran. *VOLUNTAS: International Journal of Voluntary and Non-profit Organizations* 30(4):713-727.
- Mwase N, Kiiru J (2016). Institutional theory and NGO sustainability in Tanzania. *VOLUNTAS: International Journal of Voluntary and Non-profit Organizations* 27(5):2371-2392.
- Oh J, Lee S (2019). The role of governance frameworks in promoting NGO sustainability in South Korea. *Asian Journal of Public Administration* 41(2):84-101.
- Simionescu LN, Diaconu M (2019). Governance framework and NGO sustainability: A cross-sectional study. *Non-profit and Voluntary Sector Quarterly* 48(4):792-811.
- Sukmana R, Firdausy CM (2019). The role of external stakeholders in supporting NGO sustainability in Indonesia. *International Review of Public Administration* 24(1):22-37.
- Uddin MM, Ferdousi A (2021). Good governance practices and NGO credibility: A study on sustainable development in Bangladesh. *VOLUNTAS: International Journal of Voluntary and Non-profit Organizations* 32(1):208-220.