NON-GOVERNMENTAL ORGANISATIONS' SUSTAINABLE STRATEGIC PLANNING AND ITS IMPACT ON DONORS' LOYALTY

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ABSTRACT

Sustainability is becoming a matter of importance for governmental, Non-governmental, profitable and non-profitable organizations. It helps decision makers to take the society into consideration while doing their business. The gap in research that was discovered by the researcher was in how decision makers may secure the sustainability of their business growth while still giving back to the society. This is the objective of this research study; maximizing the returns on equity for shareholders while securing sustainable economic development through the use of the strategic sustainable model that was adjusted to fit the Egyptian Non-Governmental Organizations. This study is targeting the Non-Profitable organizations since sustainability for growth is found hard to be maintained.

This empirical research study aims to contribute to the strategic sustainability of the Non-Profitable organizations in developing countries which in return will provide positive outcome for the entire economy. The researcher will conduct expert interviews in the field, stratified sampling for the survey using the quantitative techniques in order to rationalize the results and provide statistical interpretations.

INTRODUCTION

Sustainability is strategic thinking based on the belief that achieving ethical standards in business is achieving mutual benefits for economic growth and business profitability. Businesses question the importance of going green because sometimes consumers use economically green products, not intentionally for that reason. On the contrary, consumers who intentionally buy green products or sustainable brands believe that this decision to favour a sustainable product adds more value to their benefit and make them feel that they contribute to society. This research examines the implication of sustainability on brand positioning in the minds of consumers and to what extent sustainability can impact consumers' loyalty on several emotional levels. The researcher aims to study serval types of business sustainability and build on previous studies that touch on the impact of sustainable brands on the consumer loyalty.

Research Major Findings and Contribution

NGOs are mostly connected with economic issues, especially with their funding. The refusal of donors to provide administrative support makes it difficult for NGOs to create a strategy when they have to focus on multisource to cover their overhead costs. Donations are given for a certain purpose, and donors strictly control them. Overhead can usually be covered up to 10% of the donation. Such earmarking from donors is one problem. Another one occurs with the time availability of the donation that has to be used within one year. Sometimes, the donation is given to be spent in three years. However, it is a short period for building a long-term

strategy, especially when the donation has to be used for the project and purpose it was meant to be. Short-time and purpose-determined donations, project-based activities, and multisource are some factors that influence NGOs' sustainability. Building the sustainability of the NGOs has many dimensions, not only the funding issues. It includes internal factors (growth and capacity of the organisation and the readiness to seize the opportunities) and external factors (securing resources and support from the external and legislative environment). Minimal research examined the influence of NGOs' sustainable behaviour on donors' loyalty. So, this paper intends to fill this gap and contribute to the present literature by providing a solid ground for the relationship between sustainable strategic planning with its dimensions and donor loyalty.

RESEARCH METHODOLOGY

All organisations work with external groups besides working for their own benefit to make a profit. So, the first objective of any organisation is to improve its image in front of its customers, enhance their positive reputation, and increase their market share. The main objective of the business entity is to maximise shareholders' wealth and show environmental, social, and economic responsibility. So, are the NGOs implementing sustainable development more successful than those focusing only on financial performance? The main objective of this paper is to explore the relationship between successful sustainable NGOs and customer loyalty (donor's loyalty) to increase NGO funding, as it was clear in the past that organisational performance depended on financial performance. Now, organisational performance is based on sustainability with its triple elements. The first element is social sustainability, and the second element includes implementing the environmental sustainability factors in every aspect, and finally, the third element is the economic sustainability of the NGOs. The study is using both qualitative and quantitative techniques. The data relied on both expert interviews and stratified sampling technique within the targeted donors' criteria. The data was further analysed using the SPSS to be statistically interpreted.

LITERATURE REVIEW

Sustainability

Sustainability is defined as the ability to continue in a defined behaviour indefinitely, which will lead to defining the three elements of sustainability. Environmental sustainability is the ability to conserve the resources needed for present and future generations without creating pollution and depleting renewable resources, allowing the human community to meet its needs. At the same time, the capacity of its supporting ecosystems continues to renew services necessary to meet those needs and not through actions that reduce biodiversity. Economic sustainability is the ability to indefinitely support a certain level of economic production. Finally, social sustainability is considered with how individuals, communities, and societies coexist, including resource allocations that affect their ability to succeed and prosper over time.

Emergence of the sustainability concept: A global awareness towards green marketing obliges firms to generate economically boosting services and products with partial dedication to the economy. Green products have received great attention from scholars in examining the relation or gap between the impacts of the green product on the consumer buying decision. Based on the previously studied literature review, it has been concluded that green marketing has been

categorised into two main concepts. The first falls under the environmentally friendly businesses that bring back to society, and this concept existed in the 1970s. The second category explicitly presented in the 1990s shifted the concept towards the industrial product [Gitlin et al., 2005] (citation of reference 1) Sustainability has been more closely related to the tension between human aspirations for a better life on the one hand and limitations imposed by nature on the other. Over time, this concept has been reinterpreted to encompass three dimensions which are social, economic and environmental. Sustainability is presented within three elements: The economy, the environment, and the society [Hardi & Zdan, 1997] (citation of reference 2). Sustainability is the internal crossing of the three sectors and is presented as three interrelated episodes as shown in Figure 1 [Barton, 2000] (Citation of reference 3).

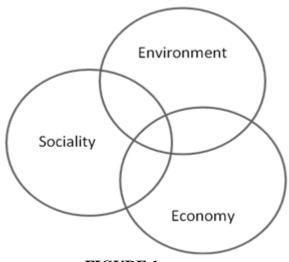


FIGURE 1
THE THREE MAJOR ASPECT OF SUSTAINABILITY

Interrelation Between Environment And Social Sustainability

Previous research analysed social support in different ways. Studies were conducted to determine the compensation required or the damage caused by environmental degradation [Batema et al., 2003; Cooper & Vargas, 2004; Martin-Ortega et al., 2011] (citation of reference 4). Although there is a positive relationship proved in many studies, some studies suggest that a positive relationship is not true.[Brechin and Kempton 1997] (citation of reference 5) suggested that people in developing countries may be more socially supportive of environmental protection even when social support is measured through monetary contributions. They also suggested some possibilities that people in developing countries may contribute more to environmental protection if volunteering is considered as a part of the contribution [Shahrier et al., 2017] (citation of reference 6). Other research found that environmental performance and corporate social responsibility (CSR) impact the organisation's financial performance.

Research by [Fitriani and Ajayi 2022] (citation of reference 7) indicated that environmental performance and costs impact financial performance. [Klassen and McLaughlin's 1996] (citation of reference 8) research concluded that environmental management could play a positive role in improving organisational performance.

[Cheruiyot 2010] (citation of reference 9) conducted research to determine the relationship between CSR and the financial performance of the organization. He concluded a statistically significant relationship between the two variables. Also,[Obusubiri 2006] (citation of reference 10) proved a positive relationship between CSR and portfolio performance. Green marketing involves the marketing of environmentally safe products, which is a part of environmental sustainability. The concept of green marketing includes good use of information communication tools (ICT), environmental information disclosure of products and services, green market share, stakeholder relationship, green packaging, green advertising, and others [Odeyale et al., 2013] (citation of reference 11)

Interrelation Between Environmental And Economic Sustainability

The environment surrounds the organization with a broader concept. [Harrison 1996] (citation of reference 12) defined the environmental management as the condition of all circumstances, affecting the environment or any of its internal systems. The environment contains dynamic complexity forces of varying degrees of variation, under different circumstances. One of management's goals is to convey information that reduces conflict-related information with financial market participants like financial analysts [Bushman et al., 2004] (citation of reference 13). As a result of maintaining and expanding its operations, the company needs to legitimize its environmental management and procedures for other non-financial stakeholders, while increasing the importance of environmental information [Orlitzky et al., 2003] (citation of reference 14).

In this context, it can be concluded that the environmental performance of the company strengthens or weakens efforts to legitimize the economic impact of environmental disclosure. Thus, in contrast to the arguments and findings reported in previous research, [Clarkson et al.2008]

(citation of reference 15) and [Cho et al. 2012] (citation of reference 16) stated that economic and legal considerations seem to lie behind environmental disclosure. These findings extend the previous research of [Berthelot et al. 2012] (citation of reference 17) on the relationship between CSR and financial markets. In addition, legitimacy and economic development has evolved in one form or another in parallel over years as an alternative explanation of the incentive behind environmental detection [Cho et al., 2012] (citation of reference 16 & 18).

Interrelation Between Economic and Social Sustainability

Economic and social issues have often been highlighted as the root cause of all developing countries. The unemployment rate in that region is at a high record. Recently, the economic and social aspirations of emerging generations are increasingly causing disappointment. Class division bridges make them unable to find upward mobility when entering local labour markets. Corruption, which refers to linkages, is often referred to as the most important factor in obtaining a decent job in such a limited opportunity. If they have fair jobs, they carry great hope for a new society that fulfils the aspirations of people towards the rising social mobility. The issue of sustainable development is more important, and corporate social responsibility is an element that addresses this issue and is therefore more vital in the day-to-day operations of the organization, particularly as more stakeholders participate in social challenges.

Organizational performance focus on productivity indicators because they are the most frequently used in research [Carton, 2004] (citation of reference 19). However, with the implementation of CSR, management can achieve better financial results while improving the community in which it operates by increasing the quality of life for its internal and external stakeholders [Du et al., 2011] (citation of reference 20).

Customer loyalty: Loyalty is defined as a commitment which is formed profoundly about being a steady customer or performing the same transaction again in the future. loyalty will provide a repetitive buying behavior of the same product or service despite the marketing efforts or situational effects. A loyal consumer always prefers stable long-term relations. Loyalty of company customers is also considered as one of the company's key success factors (KSF) and play a major and essential role on creating firm's competitive advantage (CA) and sustainability over time [Flavián & Guinalíu, 2006] (citation of reference 21).

Non-Governmental Organization (NGOs)

The Non-Governmental Organization (NGO) sector has emerged in 1945 article 71 of the United Nations (UN) charter after World War II and has been legally accepted as a sector of the world. Following the formation of the NGOs concept, the United Nations Organization (UNO) researchers had concentrated on spreading and highlighting the strategic difference between Governmental organizations and international private To begin with a clear understanding on factors sustaining NGOs, first the researcher refers to the United States Agency for International Development (USAID) in their management of NGOs. The US is a successful system at crises in its strategic capacity, allowing NGOs to operate within an eased law. Based on the believe that governmental constraints are one of the main barriers to operate. According to the comparative research conducted by [Morgan et al., 2016] (citation of reference 22 & 23), aimed to evaluate the best practices of 110 articles in the past 10 years in 30 countries, it has been concluded that 17 articles were on the efficient grass roots of NGOs in the US country. Worth noting that work resulted from this research is considered a great archive for any researcher since it suggests the grey area that has not been covered by researchers yet in the NGOs sector. Among the various recommendation for future research stated in [Morgan et al. 2016] (citation of reference 22 & 23) study, was the need to develop strategic planning thinking that would allow NGOs to be classified internationally and consider all factors effecting its sustainability rather than just the law governing the organization.

According to the [WB. 2006] (citation of reference 24).national governments are considered to be the main supporters to NGOs and for that being said they somehow put pressures on them regarding their legality and need for security clearance. The national governments of the United States contribution to the world's NGOs in 2004 has reached a total of "87.7" billion dollars. In some countries like the United Kingdom (UK), Funding institutions such as "CARE International" along with the government develop a bidding system for several projects and allow for both For-profit and Non-profit organizations to bid against one another.

Historical overview on the non-governmental sector in Egypt. In the world leading systems such as with the England and the US, NGOs are regulated by a specified legal and political framework that strictly obliges each organization to abide by and as well determines the conceptual framework of the organization. Therefore, those systems highlight the importance of the size of the entity, stakeholder and key entrepreneurs to the success of the organization. NGOs

started occupying a societal and economical place during "Mohamed Ali" era in the 1820s and its very first function was related to Education development. During the 20th century Egypt had an estimate of 159 NGOs in different society development fields. 1950 was considered the success decade for the NGOs in Egypt where their number approached an estimate of 5000 organizations given the approved law to form organization for the social contribution. Following this era was "Gammal Abd El Nasser" which was remarked as a restricting decade for the Egyptians towards any (CSR) contribution. During that decade the law had restricted any formation of NPOS leading only to a total of 4 organizations with minimal activities associated. [Hassan, 2011] (citation of reference 25 &26)

Egypt approaching the Mubarak regime has allowed NGOs to reengineer their growth life cycle once more growth yet still struggling with politics and bureaucracy. Starting the beginning of 1964, NGOs in Egypt were set to be supervised by the Ministry of Social Affairs (MOSA) which is now under the name of Ministry of Social Solidarity (MOSS, given the full right to practice its full authority on those civil society organizations. Towards the beginning of 2009, the total number of civil society institutions in Egypt had reached an average of 25,000 with a very small number of those NGOs were registered or security cleared. The government had stated the law at that decade which allowed for closing any NGO or an activity it is providing, interfering with its performance, or refusing its activation from the start

[Hassan, 2011] (citation of reference 25 & 26) With Egypt under the Sissi regime since 2014, the country is trying to recover from the economic recession but it will take few more years before it emerges from the recession. The current status is an incredibly high inflation rate that is affecting the entire economy. However, the country is continuously supporting the growth of NGOS. According to a statement by the ministry of the Social Solidarity (MOSS), the country had started witnessing a middle ground moving forward NGOs number had reached 50278. Additionally, 1 billion and 634 thousand Egyptian pounds received from foreign funds in 2015. An increase in the poverty rate of the Egyptian economy was witnessed continuously ever since 2016 for the more than half of the population. [UNICEF, 2016] (Citations of reference 27)

Relationship Between Ngos Sustainable Strategic Planning And Donor Loyalty

Scholars have been trying to study the impact of green marketing on raising loyal consumers and how going green would impact consumer behaviours. Based on studied literature reviews in this concern, it was concluded that the green market is a matter of interest to diversified types of businesses; online marketing, service marketing, consumer products and branding. Studies are conducted based on the belief that developing sustainable products and services would play a vital role in most affluent consumers' minds which will bring back to the brand. Nevertheless, green products and sustainability in the most developed countries are now as important as strategy and tactical planning. Top management aims to develop strong brand identity to become profitable, in contrast, markets in developing countries face insufficient resources and research is needed to attain such objectives, in general.

NGOs can have environmental, social and economic contribution to the countries they are established in. Environmental conservation is one of the key areas where nongovernmental organizations are doing considerable amount of work in. As the importance of sustainable value concept is growing every day, it is also to the benefit of companies to have good relations with the societies and organizations working towards the benefit of the environment [Sisaye, 2021] (citations of reference 28). Within the concept of sustainable development, the collaboration with not-for-profit organizations or NGOs increases [Lambin & Thorlakson, 2018] (citations of

reference 29). In one study conducted in Turkey among 196 volunteer based environmental conservation societies, the members of the societies were asked to rate the importance of global environmental problems over a five-point scale [Arhin et al., 2018] (citations of reference 30). Of the 82 organizations who responded to the survey, misuse of natural resources was noted as being the most important problem with an average rating of 4.83. Other than this global warming was rated as 4.80, water pollution was rated as 4.79 and reduction of biodiversity was rated as 4.78. It is clear that these environmental problems need to be addressed by the appropriate civil society organizations. NGOs environmental sustainability practices can provoke citizen to donate more as a participation in protecting the environment.

RESEARCH METHODOLOGY

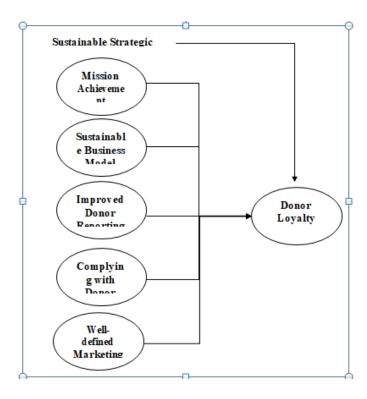


FIGURE 2 PROPOSED CONCEPTUAL FRAMEWORK

Research Variables

Dependent variable: Donor's loyalty as a composition of diversified senses, according to [Wymer 2021] (citations of reference 30), is the intention and willingness of the donor to donate constantly to a certain NGO believing in its equity, integrity and prosperity. Loyalty is a result of donors' five senses towards an NGO whether in a negative or positive manner

Independent variables: According to the proposed study model, the independent variable is the sustainable strategic planning in NGOs. The dimensions of sustainable strategic planning used in

this study are mission achievement, sustainable business model, improved donor reporting, complying with donor requirements, and well-defined marketing strategy.

Research Approach: The deductive approach starts with checking a theory already exists, creates hypotheses, and then test the theory in a relevant context. The deductive approach is generally associated with quantitative research and represents the most common concept of the relation between the theory and the real world. The approach of this paper is deductive. The foundation of this research is the literature review presented in the second chapter, based on which the hypotheses will be drawn.

Research method: Quantitative research is a more structured and controlled approach, which focuses on quantifying behaviours, attitudes, opinions, and other defined variables to draw measurable and statistical results with the aim of generalizing the results from a larger sample population. Since the deductive approach is more suitable for quantitative research, whereas the inductive approach is associated with qualitative research. Therefore, in this paper, a quantitative research approach will be followed, first of all, because it fits with the deductive approach. Due to the quantitative nature of this study, numerous results are required, in order to be measured and analysed with the help of statistical methods.

Research Strategy

There are three main data collection methods researchers can use for collecting the empirical data in survey research. This includes Interviews, surveys, and observation of individuals and events. Interviews along with surveys are the most commonly used methods. Interviews mean that the interviewer applies the same questions to all respondents to be able to compare the answers. Interviews may be conducted face to face, by telephone, or online. Surveys are sent to the respondents where they answer independently and then send the questionnaire back to the interviewer. Surveys may be sent personally, through the mail, or electronically administrated. The benefits obtained when using a questionnaire instead of interviews are that surveys are of a lower cost and easier to administrate, contrary to interviews, which are costly and time-consuming [Sekaran & Bougie, 2009] (citations of reference 31 & 32). The research purpose would be better served with a survey to achieve a higher level of responses and answer the hypotheses based on statistical analyses. Due to these arguments and the benefits gained, a survey will be adopted for this research.

Time horizon: There are different means in collecting data over a period that ranges from days to months. These studies are called "one-shot" or "Cross-Sectional". In other studies, the researchers rely on the "Longitudinal" methods which aims to study the behaviour of a specific group before and after accomplishing some sort of change. Such studies are called longitudinal studies [Sekaran & Bougie, 2009] (citations of reference 34 & 35). In this research, the time horizon will be cross-sectional (one-shot).

Research limitations: First limitation is that results cannot be generalized because sample is based on convenience sampling technique because of the limited resources. Second core limitation which changed the research's initial objective is that most NGOs in Egypt don not follow a sustainable strategy. One more limitation that was faced during this study is that donors are not aware of the different sustainable development approaches and they rather prefer targeted

donations across government accredited institutions. Hence, results will not reflect the real case due to lack of awareness as mentioned.

CONCLUSION

This study built on previously presented literature that examined the impact of environmentally sustainable brands on customer senses to develop loyalty. The study helps further research to empirically study the impact of sustainable NGOs on raising the customer experiences through the moderation of their senses. To the knowledge of the researcher this is the first study in Egypt examining the impact of sustainability on the multidimensional model in Egyptian NGOs.

The study examines how advertising and means of it effects consumer affective and cognitive senses towards donations. Additionally, this research provides pragmatic guidance on how to have a broader look on customer or donor's inner senses moderating their intention in participating in a particular NGO. The methods used in this research shall guide researcher in examining the variables that are impacted by sustainability in NGOs. Sustainability is supposed to build mutual trust between the brand and consumer. Building on the studied literature review consumers' senses play a vital role in their decision making process, it helps in the positioning of the brand in the mind of consumers. Leaders shall study how sustainability can touch on each sense and the result of this sense on perception and loyalty. There are a lot of other factors such support this concept such as means of advertising on the donation needed, how Organizations reach their donors, and how they maintain them.

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