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The Use of Performance Measurement Data in Nonprofit Organizational Sustainability

Helen S. Coy
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Walden University

College of Social and Behavioral Sciences

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Helen S. Coy

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Walden University
2018

Abstract

The Use of Performance Measurement Data in Nonprofit Organizational Sustainability

by

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MBA, Nichols College, 2014

JD, Massachusetts School of Law Andover, 2006

BS, Northeastern University, 2002

Dissertation Submitted in Partial Fulfillment

of the Requirements for the Degree of

Doctor of Philosophy

Public Policy & Administration

Walden University

August 2018

Abstract

In the United States, nonprofit organizations (NPOs) face a precarious future because of their heavy reliance on the financial support of government funding, other donor agencies, and philanthropic foundation resources. The purpose of this study is to understand how and to what extent leadership of NPOs can benefit from using funder-required performance data to improve organizational sustainability. Using Pfeffer and Salancik's resource dependency theory to explain organizational sustainability, this qualitative multiple case study of 10 NPOs in a northeastern U.S. state includes 14 interviews with NPO leadership, a document review of NPO 990 tax filings, annual performance reports, and board meeting minutes. All data were inductively coded and then subjected to a thematic analysis procedure. Key findings indicated 6 overarching themes associated with NPO sustainability and funder-required performance measures that impact program sustainability but are mainly used for compliance: (a) NPO adoption and use of performance measures; (b) data collection and evaluation for external compliance; (c) information pertaining to financial, operational, and administrative decision making; (d) NPO leadership decisions regarding internal constructs, operations, and management; (e) resource dependency; and (f) sustainability practices. The implications for positive social change include strategies for NPO leaders to use to ensure survival, continuous community impact, and awareness for policymakers regarding legislative and regulatory developments that may inadvertently harm NPOs.

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Dedication

I would like to dedicate my dissertation to my family and friends. The love, support, and constant encouragement to keep striving and never give up has helped me tremendously in achieving my goals in attaining multiple academic degrees and pursuing my dream to obtain a doctorate degree.

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Chapter 1: Introduction to the Study

Many NPOs provide a range of public social service supports that aim to build stronger communities, create social value for groups with critical needs, and promote equality and opportunity for vulnerable populations. NPOs depend upon funding streams often allocated by performance-based government contracts, philanthropic foundations, and public and private donors (Benjamin, 2012b; Bray, 2010; Carnochan, Samples, Myers, & Austin, 2013; Kearns, Bell, Deem, & McShane, 2012). Because of a scarcity of external funding resources, many NPOs are struggling to manage their operations and keep the doors open (Froelich, 1999; Pfeffer & Salancik, 2003). Many nonprofit agencies are required to evaluate and report program outcomes to funders through measuring performance to maintain existing funds and receive future funds (Lee & Nowell, 2014). Although information generated by outcome measurement can have many uses, NPOs have challenges using funder-required performance data internally because of limited resources, lack of internal and external organizational capacity as it relates to the financial strength of an agency, organizational leadership or operational strategies of an organization (Williams-Gray, 2016), and the limited use of data related to an organizations ability to survive.

Because the internal application of funder-required performance measures to improve organizational sustainability has not been well researched, I explored how and to what extent NPOs use funder-required performance measures to understand the role performance measures play in organizational capacity and sustainability. Scholarly research has suggested that NPOs primarily use data for evaluation and accountability

purposes, as is expected in the nonprofit sector (Eckerd & Moulton, 2010; Owczarzak, Broaddus, & Pinkerton, 2015). At a time when resources are limited, the typical performance tracking activity is used for monitoring and local evaluation (Scheirer, 2012). As NPOs mature, the data collection process should be made useful not just for the sake of information gathering for external requirements but for using the data internally and operationally to increase visibility and knowledge into evaluating organizational sustainability.

The study was intended to effect positive social change by providing information about how NPOs can operate efficiently and continue to provide social services that benefit whole communities that need them. The connection between the supports provided by NPOs and the communities that need them are far-reaching. This research provides nonprofit organizational sustainability. NPOs that fail to demonstrate their impact to funders or to use data to alter wasteful practices may close, which can negatively affect the local economy, state and local agencies, families, and communities the NPOs serve.

In the following sections I discuss the challenges of nonprofit management in a resource-restricted environment, the lack of external organizational capacity, inefficient financial management, and the use of data collected and applied by leadership as it relates to NPO organizational sustainability.

Background of the Study

NPOs must demonstrate success and impact. Their ability to evaluate impact is through performance measures. Despite a rise in the use of performance measures by

NPOs, many nonprofits fail to realize the full potential of using performance measures internally as a learning tool (Thompson, 2010). External organizational constraints prevent NPOs from using performance measures more intentionally. External organizational constraints are related to an organization's capacity to compete for funds (Liket, Rey-Garcia, & Maas, 2014). The evolution of government funding and unpredictability in allocation practices to NPOs put organizations that depend on these funds at a risk (Froelich, 1999; Preston, 2010). Preston (2010) uncovered the pressures applied by the government funding allotment and emphasized the major lack of resources suffered by providers from the context of financial resource dependency.

Resource dependency relates to internal organizational activities that contribute and develop organizational performance, growth, and the ability to sustain. More specifically, I use resource dependency in this study as a theoretical framework for investigating how and what extent NPOs use funder-required performance measures internally as a resource to remain sustainable. Resource dependency theory covers external funding as an important resource (Hillman, Withers, & Collins, 2009; Gronbjerg, 1991). Organizations depend upon funding to stay operational. In that regard, resource dependency theory can be used here to explain issues surrounding sustainability.

Over the last few decades, the rise in challenges related to NPO sustainability has caught the attention of researchers. In a resource-restricted atmosphere, NPOs need to find alternative methods to use data they are required to produce in order to stay funded. Researchers have studied several strategies for NPOs to improve organizational sustainability, including strategic planning, collaboration, diversification of funds, and

operating like a for-profit business (De Cooman, De Gieter, Pepermans, & Jegers, 2009; Maier, Meyer, & Steinbereithner, 2014; Sosin, 2011). Maintaining a long-term financial viability plan requires NPO leaders to plan long term, increase funding, and distribute resources appropriately, which in turn demands proper technological and human resources (Choi, 2012; Barbero, Casillas, & Feldman, 2011). Nonprofit collaboration, a fairly new practice among providers in the NPO sector, is a way that agencies can gain access to resources that an organization may not possess (Austin & Seitanidi, 2012; Guo & Ancar, 2005). Diversifying funds is an ideal approach to nonprofit sustainability where NPOs lack the ability to control funding sources (Amagoh, 2015; Toepler & Anheier, 2004). As a strategy for sustainability, some NPOs can also benefit from incorporating a for-profit business model (Bish & Becker, 2015; Chenhall, Hall & Smith, 2016; MacIndoe, 2013).

However, most NPOs do not operate under a for-profit business model. NPOs that are not experienced or knowledgeable in collaboration, diversification of funds, and operating from a for-profit perspective are in danger of suffering from financial instability jeopardizing their ability to remain sustainable (Fleury, Grenier, Bamvita, Wallot, & Perreault, 2011) because eventually NPOs funding streams will end. While collecting and reporting performance measures and data are required by most funders, NPOs use data primarily for evaluation and accountability purposes (Eckerd & Moulton, 2010; Owczarzak et al., 2015) but not for long-term sustainability. Compiling and publishing honest and accurate reports may improve the visibility of organizational success and promote proper budgeting practices (Bray, 2010).

Although researchers have presented many strategies to improve nonprofit organizational sustainability, scholars noted a gap in the literature regarding how and to what extent funder-required performance data can be applied internally to improve organizational capacity and continue to compete for external funds to remain sustainable (Prentice, 2016; Lee & Nowell, 2014; MacIndoe & Barman, 2012; Johansen & LeRoux, 2012; LeRoux & Wright, 2010). The relevant constructs in this study were NPO leadership, the use of performance measures for data collection, evaluation practices, sustainability methods and, as the theoretical foundation for this research, resource dependency.

Organizational Sustainability

No single definition describes nonprofit organizational sustainability (Barr, 2012). In fact, many nonprofit strategists suggest that NPO sustainability requires an integrated approach of multiple components (Barr, 2012; Hauser & Huberman, 2008). Managing an organization's day-to-day operations and long-term success takes time, cultivation, and strategic planning. The Nonprofit Assistance Fund (2014) identified four components to consider in the financial structure of nonprofit sustainability: revenue mix, cost of effective programs, infrastructure, and capital structure. Barr (2012) offered three strategies to effect sustainability: (a) doing great work and being able to define that it is working (mainly through performance measures), (b) making a business work by understanding the current business model and then implementing any needed changes into long-term strategic plans, and (c) resist opposition to change and then adapt to it. Hauser and Huberman (2008) noted seven different areas that contribute to an agency's

success (see Figure 1).



Figure 1. The seven components of organizational sustainability. From D. Hauser & B. Huberman, 2008. Retrieved from <http://www.advocatesforyouth.org/publications/publications-a-z/612-the-seven-components-of-organizational-sustainability->. Reprinted with permission.

NPO Leadership

Nonprofit leaders have a multitude of responsibilities related to nonprofit sustainability. This includes managing all seven of Hauser and Huberman's (2008) components of organizational sustainability. The top executive team is usually responsible for the overall performance of an agency as well as the long-term strategic planning and sustainability of the organization. An organization's strategic plan for

organizational governance, sustainability, financial health, and performance outcomes as a matter of evaluating the impact of service delivery is generally the responsibility of the executive leadership team, which includes the chief executive officer (CEO), executive director (ED), president, chief financial officer (CFO), and board of directors (Hatry, 2008; Kearns, Bell, Deem, & McShane, 2012; Newcomer & Brass, 2015; Purdy & Lawless, 2011). Many nonprofit leaders struggle to make strategic decisions about organizational direction and financial management due to the constraints of limited resources (MacIndoe & Barman, 2012).

One of the most difficult tasks in NPO financial management is identifying and obtaining funds to operate. Nonprofit leaders manage the organization's finances by creating an annual budget, which allows an assessment of funding needs. Identifying the funding needs of the organization influences the growth trajectory of the agency and helps to give visibility to potential sources of income or support. CEOs and board of directors evaluate different funding sources for the purpose of sustainability, including government funding through contracts and federal grants, in-kind support from corporations, general or specific project support from foundations, and individual donor contributions.

Nonprofit leaders select funding that encompasses a relationship between the dollars received and achievement of their mission and organizational identity (Kearns et al., 2012). However, funding sources are not selected if the funding requirements are not aligned with the agency's mission (Maier et al., 2014). Froelich (1999) explained that resource dependency forces NPO leaders to go after funds for sustainability even if

mission drift is a risk. Mission drift in an NPO poses a challenge in two ways: (a) NPO access to resources or lack thereof is significantly reduced because the NPO will deviate from the work it does best in the community, and (b) a conflict is created between the internal and external environmental controls as it relates to funding opportunities. NPOs seek to balance and manage their mission driven agendas with increasing economic pressures (Chenhall, Hall, & Smith, 2016). The loss of autonomy and a risk of mission drift will only further challenge NPO sustainability in a resource-restricted atmosphere.

Use of Performance Measures for Data Collection and Evaluation Practices

Nonprofit agencies that receive federal awards are subject to strict requirements for reporting performance measures. The Government Performance Results Act (GPRA), enacted by Congress as a matter of federal oversight, requires agencies receiving federal funds to create strategic plans to track and monitor their organizational performance (LeRoux & Wright, 2010; Ugboro, Obeng, & Spann, 2011). The Federal Grant and Cooperative Agreement Act (1977), now known as Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2014), was implemented to reduce the administrative burden on award recipients and to minimize the risk of wasteful practices and misuse of federal funds (OMB Uniform Guidance, 2014).

The common use of performance measures in the nonprofit sector is to evaluate program performance to ensure grant compliance, impact, success of service delivery, and improved progress among service recipients. To assist NPOs in using and implementing performance measurements for program evaluation purposes, in 1996 the

United Way published *Managing Program Outcomes: A Practical Approach* as a set of foundational measures for nonprofit organizations (Benjamin, 2012a).

Many funders require grantees to report performance as a condition to receive support. Without the external funding support of these constituents, many organizations are at risk for failure (Knutsen, 2012; Sosin, 2011). Beyond that, the focus of this research investigates the concept of performance measures and data serving as intelligence for nonprofit organizational sustainability to inform operational decisions in addition to regulatory compliance and monitoring purposes.

The two concepts of performance measures and organizational sustainability are not separate and distinct. As NPOs grow and develop, the funder-required performance measures should be more useful in informing leadership to make operational and administrative improvements; performance measures should not be collected just for the sake of information gathering but to use the data to increase visibility and knowledge into evaluating organizational sustainability (Højlund, 2014).

The focus of this qualitative case study was exploring and understanding how each concept interacts to improve an NPO's ability to remain a viable resource for the community. I conducted interviews and document reviews to comprehend how and to what extent NPOs use funder-required performance data internally to remain sustainable, enhance organizational capacity, and improve financial management.

Problem Statement

NPOs have experienced a change in funder reporting expectations, which has forced these agencies to evaluate their success through performance measurement

(Benjamin, 2012a; Carnochan et al., 2013; Smith, 2010). Reporting program success to funders through performance measurement data is an essential requirement for NPOs to maintain existing funds and receive future funds (Lee & Nowell, 2014). Yet many NPOs lack the needed resources to satisfy this regulatory requirement (Smith, 2010) and underuse performance data for internal purposes. Two reasons for this are the internal organizational constraints caused by insufficient organizational capacity, and the limited external control over resources the organization relies upon for continued support. Organizational capacity often comprises the ability of an agency to allocate resources related to identifying performance measures, investing in the implementation and design of a performance management system, and depending upon staff to track, monitor, and report outcomes that satisfy various funders (Elkin, 1985; Smith & Lipsky, 1993; Young & Steinberg, 1995). The literature suggests that NPOs that spend more on administrative costs than funding allocated for program expenses receive less donor support (Chikoto & Neely, 2013). A rich body of research exists on organizational performance management and the relationship between funders and providers (Benjamin, 2012b; LeRoux & Wright, 2010; Liket et al., 2014; Smith, 2010). The internal application, however, of funder-required performance measures to improve organizational capacity and sustainability has not been well researched. Further research was needed to explore to what extent organizational sustainability can be assured through data captured by NPO leaders as a requirement of funders and then used internally to survive.

Purpose of the Study

The purpose of this qualitative case study was to understand how and to what extent NPOs use funder-required performance data to improve nonprofit organizational sustainability. My intent in this study was to address the problem of NPOs' ability to remain operational in a resource-restricted and economically questionable environment. The case study included 10 NPOs in the urban areas across the State of Massachusetts. I interviewed the leadership of each NPO on site, and I conducted document reviews to associate how and to what extent NPOs use funder-required performance data internally to remain sustainable, enhance organizational capacity, and improve their financial management. The major concepts I addressed in this study were (a) NPO leadership decisions regarding internal constructs, operations, and management; (b) NPO use of performance measures; (c) data collection and evaluation for external compliance; and (d) internal organizational activities that contribute and develop organizational performance, growth, and the ability to sustain the organization.

Research Questions

One research question guided this study: How and to what extent do nonprofit organization leaders use funder-required performance measures and data to improve organizational sustainability?

Theoretical Foundation

Resource dependency theory is the foundation of this research. The resource dependency theory, first described by Pfeffer and Salancik (1978/2003), established that the financial support for programs is a critical element of the ability for an organization to

prevail. NPOs encounter environmental constraints (i.e., organizational capacity) and limited external control over resources (i.e., funding) the organization needs to safeguard their efficiency and organizational sustainability (Anheier, 2014; Froelich, 1999; Pfeffer & Salancik, 1978).

Access to financial resources is critical to NPOs. According to the resource dependency theory, the critical aspect of organizational sustainability is the ability to gain, retain and preserve key resources (Froelich, 1999; Pfeffer & Salancik, 1978). Froelich (1999) described the evolution of government funding in NPOs and examined the results of various revenue-sustaining tactics in NPOs from the context of financial resource dependency. Froelich uncovered the pressures applied by the government funding allotment and gave visibility to the major lack of resources suffered by providers. The resource dependency theoretical framework specifically speaks to the ability of an organization to endure. Resource dependency theory includes the resources of funding and information, two critical factors organizations need and depend upon to stay operational (Pfeffer & Salancik, 2003). NPOs need funding resources and access to information that allows an assessment of an NPO's performance for the purpose of sustainability.

The resource dependency theoretical framework gave context to this study because it offered a solid structure and background regarding performance management and organizational dependency on external resources. Resource dependency theory has been used to explain why NPOs must create resources to survive and perform. For organizations to survive, a greater level of organizational capacity must exist such as the

ability to plan long term and distribute resources appropriately (Barbero et al., 2011). For example, the impact of funder-required reporting of performance measures was researched by Thomson (2011). Thomson (2011) gave visibility to the impact of funder-required performance measures and NPO strategic management. Thomson found that required funder reporting on performance increased the use of performance measures, but organizations were met with resource constraints, mitigating the internal use of the data for strategic management. Additionally, resource dependency theory provided a foundation for understanding that poor management and overdependency on external resources is harmful to the organization (Bell, Masoaka, & Zimmerman, 2010; Chikoto & Neeley, 2013; Froelich, 1999; Guo & Ancar, 2005; Hodge & Piccolo, 2005; Pfeffer & Salancik, 2003).

Nature of the Study

I conducted a qualitative case study to understand how and to what extent NPOs use funder-required performance data to improve organizational sustainability. The case study approach gave me the flexibility needed to develop an in-depth understanding of the research question through a variety of data collection methods. Case studies are often used to answer a research question where researchers look to answer “how” and “why” in a research question (Yin, 2016). Further, a qualitative case study offers tools specific to the study of multifaceted and complex phenomena in the context of their own environment, which can lead to the development of interventions and program evaluation (Baxter & Jack, 2008). Finally, case study research design represents the development of a theory of what is being studied in a real-life environment (Yin, 2016).

The key concepts investigated through interviews with NPO leadership and document review included (a) nonprofit leadership decisions regarding strategic planning, operations, and management; (b) nonprofit use of performance measures; (c) data collection and evaluation for external compliance; and (d) internal organizational activities that contribute and develop organizational performance, growth, and the ability to sustain.

The research methodology included a purposive sampling strategy as suggested by Abrams (2010) and Lincoln and Guba (1985). The case study represented a sample of 10 agencies in the urban areas across the State of Massachusetts that provide multiple support services to individuals, youth, and families in the realm of housing, education, and employment. Each organization met the following criteria:

- Had been established within the last 20 years as a nonprofit organization.
- Had an annual revenue between \$1 million and \$20 million as of 2016.
- Held a tax-exempt status of a 501(c)(3).
- Filed IRS 990 tax forms consecutively from 2011–2015.
- Had funder-required performance measures

I conducted 14 face-to-face interviews with two NPO executive leadership staff from each organization. The interviews included six semistructured, open-ended questions designed to understand the key concepts I investigated. I also gathered and analyzed annual 990 tax filing reports, annual performance reports, and board meeting minutes.

Analytical strategies included interview transcription, document analysis, and the use of a document review protocol. I used NVivo11 to code, categorize, and organize all the information gathered from the interview data and to complete the analysis of the narrative portion provided in each NPO annual performance report and set of NPO board meeting minutes. I also reviewed revenue and expenditure figures from the NPO 990 form. In addition, I examined funder-required performance measures and program success from the NPO annual performance report.

Definitions

Organizational sustainability: The ability of a charitable nonprofit organization to utilize and maintain assets long-term to continue its mission without exhausting its resources completely (National Council for Nonprofits, 2016).

Nonprofit board of directors: The governing body of a nonprofit comprised of non-permanent positions held by a group of individuals between 2 and 5 years that meet annually, at a minimum, to hold discussions, make decisions and casts votes in an effort to oversee the activities and affairs of the organization (Williamson & Foundation Group, 2014).

Nonprofit chief executive officer (CEO): A single position reporting to the board of directors who provides governance and oversight to the mission, financial health, strategic plans, and policies of the organization (Kearns et al., 2012; Purdy & Lawless, 2011).

Nonprofit chief operating officer (COO): An executive staff member that works closely with the CEO and is in charge of the daily administrative and operational functions of the (Bridgespan Group, n.d.).

Nonprofit chief financial officer (CFO): A corporate officer reporting directly to the CEO and primarily responsible for managing the financial planning, record-keeping, and relating performance measures with the resource requirement side of financial administration (Saliterer & Korac, 2014).

Nonprofit director of development: The person who develops and implements a strategic plan to oversee fundraising, rather than to actually raise money (Bridgespan Group, n.d.)

Data personnel: Agency staff responsible for direct data collection, analysis, interpretation, and reporting of goal achievement and objectives commonly described in the annual performance report (Guidestar, 2012).

Nonprofit organizations: In this study, an organization that conducts business for the benefit of the general public, without shareholders, and has received a tax exemption under Section 501(c)(3) of the Internal Revenue Code from the federal government and/or the Commonwealth of Massachusetts (The Boston Foundation, 2012).

Performance measures: Information required by funders and used for evaluation purposes to improve organizational performance and focus. These data are used to execute and demonstrate agency-wide goals as well as impact benchmarking to see whether outputs and organizational performance are in line with the intended outcome (Kelman & Myers, 2011; LeRoux & Wright, 2010).

Assumptions

Assumptions in a study are occurrences not in the control of the researcher and are necessary in a proposal or the study cannot exist (Simon, 2011). This case study included interviews of key executive leadership. One of my key assumptions in the collection of interview data was that the interviewee was being truthful (Simon, 2011). To help ensure honest responses, the participants' identities were concealed and their responses will remain confidential. With the assumption that each participant responded honestly, the document review was used to corroborate and substantiate the data collected from the interview responses provided by leadership in each nonprofit organization represented in this study.

The annual 990 tax filing, annual performance reports, and board meeting minutes were analyzed in this study. Documentation as a data collection tool can give a researcher insight into practices over time, including assets and expense information. Although inaccuracies may arise with these records or may not be available (Roulston, 2010), I assumed that all the data found in the documents were accurate over a period of 5 years. I used additional online resources to retrieve data not available directly through the organization to gain a full picture of the organization. There was information missing from the annual performance reports. However, some data usually found in the annual performance reports was found in the 990-tax form, such as performance measures and funding received. Some of annual performance reports and most board meeting minutes was not available consistently and that document data was missing or not covered in the 5 years specified.

Scope and Delimitations

The scope of this research study was limited to the aims of the research problem, which focused on NPO leadership, the use of performance measures, data collection and evaluation practices, and sustainability practices, and resource dependency as the theoretical foundation. The population I investigated was limited to NPOs and its leadership. An organization's CEO, CFO, COO, director of development, or data personnel hold organizational decision-making capabilities and organizational data collection knowledge such as nonprofit management because of direct experience working with data, funders, finances, organizational decisions, and organizational capacity. The NPOs I studied were in Massachusetts and had an annual revenue between \$1 million and \$20 million as of 2016. The selected methodology in this study also set a boundary on what the findings would determine.

As discussed earlier, the theoretical foundation that established the basis for the research question proposed was the resource dependency theory. Two other theories were considered. First, general systems theory and modern organization theory have been researched and applied to organizational and institutional behavior to explain organizational and environmental challenges. Katz and Kahn (1978) introduced the general systems theory as a way to understand and explain theoretically that organizations operate through an input-output model in which an open system exists between an organization and its environment. The advantage of using a systems approach model is it examines internal organizational activities and performance of subsystems that contributes to and develops organizational performance, growth, and the ability to

sustain. However, the general systems theory was not the best fit for understanding how NPOs use funder-required performance measures to improve sustainability. Focusing on maximizing efficiencies minimizes an organization's ability to adjust to the changing environmental conditions and financial climate of the nonprofit sector, thus, leading systems to become immaterial and an agency no longer sustainable. Resource dependency theory is built from contingency theory and focuses on the way in which NPOs can manage an unstable external environment. Because resource dependency theory is centered on the external environment and organizational conditions pursuant to sustainability, it was a useful perspective from which to explore organizational capacity, external constraints, and controls. Also, the institutional school and organizational theory are integrated with the resource dependency theory and incorporate the idea that the environment is critical (Sosin, 2011).

In the 1950s, a need to understand the concept of organizational effectiveness and performance (OEP) spawned numerous studies on modern organizational theory (Hatch & Cunliffe, 2006), a second theoretical approach I rejected. Within the modern organizational theory lives the socio-technical systems approach. This theory asserts that in organizations, staff make up the social system and deliver services to individuals who are included in an organization's external environment. What was missing from this theory as it related to this study was the notion that organizational capacity and resources are restricted in many NPOs. The lack of staff and technical tools further influences an NPO's ability to sustain.

Modern organizational theory incorporates the environment, social, and technological systems to improve an organization's effectiveness but misses the mark as it pertains to long-term organizational sustainability. A general systems model contends that organizations' ability to successfully operate in an environment of scarce resources and constant change is useful (Martz, 2013). However, resource dependency theory was useful in this study in understanding an organization's quest to acquire resources because of environmental uncertainty and as a condition of survival. I also found the theory useful for helping examine how leaders of NPOs use data to inform organizational performance internally as a matter of sustainability.

Transferability is a critical component for quality and refers to the degree to which the results of the study can be generalized, replicated, or transferred to other contexts or settings (Lincoln & Guba, 1985). The findings and results of this research gathered will transfer to NPOs outside of the geographical parameters of this study that meet the selection criteria and even fall outside of the selected criteria. The results are transferable even in a different context given the degree to which the results of this research can be ascertained.

Limitations

Limitations are evident in qualitative research where the researcher is the instrument. Research quality is profoundly reliant on the specific skills of a researcher. Moreover, the personal biases of a researcher can influence the data being collected, leading to limitations within a study (Silverman, 2016).

For this study, I was the primary instrument for data collection. I conducted interviews and recorded participant observations at each interview. Participant observations can establish validity in research by providing a holistic understanding of the case being studied (Dewalt & Dewalt, 2002). Two common limitations in using participant observations are that they are fundamentally subjective and that research is susceptible to errors, especially when the researcher serves as the main instrument for data collection (Johnson, Allen & Sackett, 1998). By acting as participant-observers, researchers can observe nonverbal expressions or feelings, events in a real-life setting, and situations participants have described in interviews (Marshall & Rossman, 2014). A further limitation to this approach arises during the actual interview. During an interview, the interviewee may be compelled to respond to in a manner that would satisfy or please the researcher. I watched for such answers and avoided asking leading questions and did my best to remain unbiased.

Personal bias in qualitative research must be addressed because it can produce systematic or random errors and lead to serious validity and reliability issues in the findings. To demonstrate a level of transparency, researchers need to identify their experiences and viewpoints they bring to their research they are conducting to avoid researcher bias (Fischer, 2009). Bias can be found in a researcher's background and connection to the study. When I began the study, I had more than 15 years of experience working in the nonprofit sector as a counselor, case manager, and program director in Boston, MA. I also had 5 years of experience as a senior account executive working with a performance management software solution used by NPOs across the globe. To avoid

researcher bias, during the data collection process I remained aware of my own biases, convictions, and expectations. Because of my work in the nonprofit sector as well as with organizations that use performance management software, I did no work with any NPO with which I had had professional contact.

The challenge of preventing bias in qualitative research, whether professional or personal, is that it requires the researcher to ensure that ethical boundaries are never crossed. To do so, first, I established clear boundaries and guidelines with each participant before the beginning of the study to prevent possible bias. Second, I employed weekly journaling in a separate notebook throughout the data collection process to promote my awareness of any feelings, personal viewpoints, values, beliefs, and biases that might have influenced the research (Tufford & Newman, 2012). Third, as a researcher, I remained balanced, fair, and neutral throughout the data collection and data analysis process. Last, during the course of the interview, I avoided asking leading questions, exploiting participants, and sharing personal impressions with the interviewees at any stage of the research study.

The data collection limitations of this study also included the unavailability of documentation such as NPO board meeting minutes and unavailable NPO 990 tax-filing information by year. A common limitation of using documentation as an instrument is low retrievability (Yin, 2016).

Significance

This study added to the body of research related to nonprofit management and administration by providing an in-depth look into how social service organizations can

employ funder-required data collection in order to make a positive social impact and contribute to organizational sustainability. The findings addressed the gap in knowledge regarding the improvement of NPO sustainability through the use funder-required performance measures to inform internal nonprofit management. This study provided an evidence-formed knowledgebase for NPOs to continue to operate and provide support for vulnerable populations and could lead to greater social change within local communities.

Evidence suggests NPOs already collect performance data to meet donor requirements. Researchers have presented many strategies, such as collaboration, diversification of funds, and adopting for-profit business strategies, to improve nonprofit organizational sustainability (Amagoh, 2015; Atouba, 2016; Atouba & Shumate, 2014; Hodge & Piccolo, 2005; Li, D'Souza, & Du, 2011; Sanzo, Alvarez, Rey, & Garcia, 2014). The literature falls short of addressing the use of funder-required performance measures and evaluation, particularly related to how performance data are used to make nonprofits sustainable (LeRoux & Wright, 2010). My research was designed to further explore the extent to which data collected and required by funders can be used as an informational tool and mechanism to inform overall organizational sustainability so that agencies can remain open and prosper.

This research added to the nonprofit knowledgebase to illustrate an understanding of performance measurements, data required by funders, and their application to NPOs internally. The knowledge gives visibility to internal organizational constraints that include NPO capacity, greater use of performance data, as well as the obstacles NPOs face that prevent them from utilizing performance measures more intentionally.

State and federal laws have been passed affecting NPOs, such as the American Recovery & Reinvestment Act, Sarbanes-Oxley Act, and the Government Performance Results Act (GPRA), in an effort to place NPOs under closer scrutiny for accountability. Although some of the new regulations are supportive, many create additional organizational hardships that are difficult for smaller nonprofits to absorb. As a result of this research, NPOs' stakeholders can educate and influence policymakers at the city, state, and federal levels and raise awareness of legislative and regulatory developments that negatively impact their organizations unintentionally placing NPOs in a resource-restricted environment. More specifically, the results of this study can be used by other funders, donor agencies, and philanthropic foundations to identify the adversities faced by NPOs they support, and in turn inform and improve funder agencies relations with NPOs they seek to fund.

Additional contributions include supporting and advancing a conceptualization of NPO professional practice among NPO leadership and board of directors that promotes the successful management of NPOs. This would most certainly include an NPO's ability to plan strategically for current and future goals set for the organization. Strategies for innovation will assist in organizational growth, value and influence positive social change, as well as satisfy funder requirements for data collection and reporting. This research extended knowledge in nonprofit management to give NPOs another option to implement to ensure their survival during uncertain economic times. This scholarly contribution was aligned with the foundation of the resource dependency theory pursuant to NPO sustainability. This research contributed to promising practices in nonprofit

administration and management by promoting greater synergy between funders and providers to continue to increase public value of NPOs in the community.

Positive social change was expected to result from this study because the study was designed to provide data that would provide NPOs with information to survive and continue to offer critical services needed to enhance the improvement of society. Nonprofit social service organizations enhance the quality of life within at-risk populaces. The results may have long-lasting positive impact on marginalized communities, economy, and public policy. The role of many social service NPOs is to provide support for children, youth, families, and individuals that help them to achieve self-sufficiency. The services can range from education, employment, housing, to advocacy and counseling. If NPOs can improve their financial resources, then innovative approaches to an NPO's survival through the use of funder-required data can be further explored and enhanced through additional research. As a result, sustainable NPOs serving the community will ultimately drive not only government expenses and costs down but drive NPO administrative costs down and a focus on high-performing social programs granting ultimately successful service delivery and organizational sustainability. For example, an NPO reporting how many clients were served, how much time was spent working with each, and how many clients completed a program are some funder-required data collected by NPO staff. These same performance data can be employed to reduce administrative costs and overhead expenses. Limited resources can be appropriately allocated to support staff and successful programs rather than continuously placing money in departments, programs, or staff that continue to fail (Bunger, 2012; Gronbjerg,

Martell, & Paarlberg, 2000; Guo & Ancar, 2005; Smith, 2010). Finally, the conclusions of this study can help nonprofit administrators improve nonprofit financial management and organizational capacity through performance measures as a practical application for NPOs that depend on external resources to survive.

Summary

NPOs must track and report performance measures as a matter of accountability in order to receive critical funding from the government, other donor agencies, and philanthropic foundations. Through the lens of resource dependency theory, this study focused on how and to what extent NPO leadership use funder-required performance measures to help inform internal practices to remain open for business. The key concepts addressed in this study included NPO leadership, the use of performance measures for data collection and evaluation practices, sustainability methods, and, as the theoretical foundation, resource dependency.

Through a qualitative case study, I investigated the key concepts of this research study. I conducted 14 face-to-face interviews with two NPO executive leadership staff from 10 nonprofit agencies in the urban areas across the State of Massachusetts. I also gathered and analyzed NPO documents, including annual 990 tax filing reports, annual performance reports, and board meeting minutes from 2011–2015.

Chapter 2 is a comprehensive literature review related to the key concepts of this study including NPO leadership, the use of performance measures for data collection and evaluation practices, sustainability methods and, resource dependency as the theoretical foundation for this research. The review identifies a gap in the literature related to how

funder-required data assists NPO leaders with informing internal executive operational decisions to keep nonprofit social service organizations sustainable.

Chapter 2: Literature Review

NPOs serve as reliable and supportive institutions for vulnerable populations within local communities. These organizations enhance the quality of life of these at-risk populations and can have long lasting effects on marginalized communities, the economy, public policy, and may promote social change (Minzner, Klerman, Markovitz, & Fink, 2013). The delivery of public social services requires critical resources such as funding, information, and organizational capacity.

Historically, nonprofit agencies were held accountable by community members and philanthropic entities and measuring performance was not a critical aspect of receiving funds (LeRoux & Wright, 2010). In the past 50 years, a change in the United States political and economic climate has transformed the financial structure of the nonprofit sector and reporting expectations. Agencies must evaluate their success through performance measurement as a condition to receive funding and remain viable (Benjamin, 2012a; Campbell & Lambright, 2014; Carnochan et al., 2013; Smith, 2010). The government uses cost and performance data to allocate resources as an indicator for program construction and reevaluation (Lu, Willoughby, & Arnett, 2011). In the nonprofit industry, NPOs use performance measurement metrics for evaluation purposes to improve organizational performance, focus, execute and demonstrate agency-wide goals as well as impact benchmarking (Kelman & Myers, 2011).

Ten percent to 90% of NPOs annual budgets can consist of supportive funding provided by the federal, state, and local government (Martin, 2001). Government funding accounts for 52% of social welfare organizations' revenues (Jang & Feiock, 2007). In the

United States, the heavy reliance of NPOs on the financial support of government financing has increased concerns that there is a failure of NPOs to diversify funds to become less dependent on government resources (Toepler & Anheier, 2004). In 2009, GuideStar conducted three surveys that found that 8%-10% of NPOs were in danger of closing for financial reasons (Preston, 2010).

Reporting required performance measures to funders is part of the standard practice of NPOs in order to continue to operate programs, provide services, and remain open for business. A target for enhancing NPOs ability to remain sustainable is to use funder-required performance data to improve internal organizational capacity and to compete for external funds. Evidence suggests that nonprofits are engaged in evaluating their organizations but the data collected does not meaningfully impact internal decision making or organizational sustainability (Liket et al., 2014). Research also indicates that, while NPOs are required to collect data, many do not possess the resources needed to implement a data collection tool or the capability to consider strategically what data they should collect outside of the required data (Carman & Fredericks, 2008, 2009). As a matter of resource dependence, when NPOs face organizational challenges such as limited resources in a competitive and changing economic environment, nonprofit leaders use performance data to only meet funding requirements. NPOs collect performance measures required by funders and then use that data related to those measures for evaluation (LeRoux & Wright, 2010). NPO leaders do not possess enough knowledge gained from their data collection to invest in long-term data-driven decision making (Maxwell, Rotz, & Garcia, 2016). NPOs also lack the budget needed to implement a

performance management software system to fully realize the intelligence gained from such a tool and are often limited to the use of excel or other applications in their data collection process.

While there are multiple ways to use information generated by performance measurement, the long-term sustainability of an NPO can be enhanced by the internal use of funder-required performance data. Instituting the ability to use funder-required performance measures to capture data to inform operations through honest and accurate reports may improve the visibility of organizational profitability and promote proper budgeting practices (Bray, 2010). However, two factors present a challenge to gathering and using data: (a) internal organizational constraints caused by insufficient organizational capacity and (b) limited external control over resources the organization relies upon for continued support. NPOs encounter environmental restrictions (e.g., organizational capacity) and limited external control over resources (e.g., funding) an organization needs to safeguard for efficiency and organizational sustainability purposes (Anheier, 2014).

The internal application of funder-required performance measures to improve organizational capacity and sustainability is not well researched. LeRoux and Wright (2010) noted a gap in the literature regarding to what extent performance data are used to make nonprofits sustainable. The purpose of this study was to understand how NPOs can benefit from using funder-required performance data as a means to improve organizational sustainability. Resource dependency theory provided the theoretical framework.

In Chapter 2, I will first address the literature search strategy. I describe the resource dependency theory as the theoretical foundation of the research. I then synthesize the scholarship to understand the impact and significance of performance data and NPO sustainability. I will provide an analysis of the evolution of performance measurement in nonprofits, NPO leadership, NPO use of performance measures, and nonprofit financial management. I will examine other major themes that include funding allocation, organizational capacity, as well as common and shared practices as tools used to promote nonprofit sustainability. Last, I will summarize the major themes and explicate the gap in the salient nonprofit management literature.

Literature Search Strategy

I obtained literature from academic search engines as well as from policy and administration, business, management, and political science databases, and the following EBSCOhost databases: SAGE Premier, Business Source Complete and Political Science Complete. I also retrieved a wide range of scholarly journal articles from multiple academic journals, including *Nonprofit and Voluntary Sector Quarterly*, *American Journal of Evaluation*, *Journal of Management*, *Journal of Public Administration Research and Theory*, and *Nonprofit Management and Leadership*. The search process also included the use of the *American Review of Public Administration*, an elite peer-reviewed scholarly journal in public administration and public affairs. The keywords used in the literature search included *performance measurement*, *outcome measures*, *nonprofit organizations*, *organizational capacity*, *organizational effectiveness*, *financial management*, *nonprofit budgeting*, *sustainability*, *funder requirements*, *governance*, *use*

of data, performance management, evaluation, leadership, decision-making, strategic management, and resource dependency theory.

The iterative search process included key search terms related to government funding and nonprofit management. The selected databases were reviewed because they are a link between public administration, public management scholarship, and public policy. The journals are multidisciplinary and aim to expand the organizational, administrative, and policy sciences related to government and governance research, which offered scholarship and insight into nonprofit governance and financial management. The literature presented in this review was extracted from relevant seminal books, including Pfeffer and Salancik (1978/2003), Anheier (2014), and Morino (2011).

Theoretical Foundation

Resource Dependency Theory

To sustain their activities, organizations depend on various external resources such as funding. Resource dependency theory, first described by Pfeffer and Salancik (1978/2003), indicates that the financial support for programs is a critical part of the ability of an organization to survive. Because nonprofit agencies depend on external financial resources for continued functioning, NPOs face a precarious future (Martin, 2001). Resource dependency theory is the theoretical foundation for this study as it lays the groundwork for understanding nonprofit sustainability.

Resource dependency theory is an extension of earlier theories that primarily focus on environment, organization effectiveness, and sustainability. Other relevant and important frameworks are contingency theory, general systems theory, institutional and

organizational theory, and modern organizational theory. However, resource dependency theory is centered specifically on the way in which NPOs can manage an unstable external environment. The applicability of resource dependency theory central to this study focuses on the external environment and organizational conditions pursuant to sustainability.

The general systems theory has a similar approach that has been researched and applied to organizational and institutional behavior to explain organizational and environmental challenges. Katz and Kahn (1978) introduced the general systems theory to understand and explain theoretically that organizations operate through an input-output model that allows for an open system or an exchange of information, people, and other resources to exist between an organization and its external environment (as cited in Martz, 2013).

The institutional school and organizational theory are integrated with the resource dependency theory and incorporate the idea that the external environment is critical to organizational sustainability (Sosin, 2011). Like a systems model approach, resource dependency theory contends that an organization must successfully operate in an environment of scarce resources and constant change to survive. Resource dependency theory uses the foundation of a general systems model approach and contingency theory and goes a step further to explain the challenge NPOs face. Resource dependency theory also gives insight into other avenues and options that NPOs can use to remain sustainable in an environment of economic uncertainty.

Resource dependency examines internal organizational activities that contribute and develop organizational performance, growth, and the ability to sustain. More specifically, the resource dependency theoretical framework is needed to investigate how and what extent NPOs use funder-required performance measures internally as a resource to remain sustainable. Through the current literature and research, I explored assumptions contained in previous resource dependency theory research. In addition, I examined nonprofit sustainability pursuant to funders, performance measurement, nonprofit financial management, and organizational capacity.

According to the resource dependency theory, the critical aspect of organizational sustainability is the ability to gain, retain, and preserve vital resources (Aldrich & Pfeffer, 1976; Froelich, 1999; Pfeffer & Salancik, 1978/2003). Pfeffer and Salancik's (1978/2003) original research on organizational sustainability has been alluded to by scholars such as Froelich (1999). Froelich described the evolution of government funding in NPOs and examined the results of various revenue sustaining tactics in these organizations from the context of financial resource dependency. Froelich (1999) furthered Pfeffer and Salancik's theoretical explanation for nonprofit dependency through research that uncovered the pressures applied by the government funding allotment and gave visibility to the significant lack of resources suffered by providers as a result. The resource dependency theoretical framework specifically speaks to the ability of an organization to survive.

Theoretical Proposition

Resource dependency theory covers external funding as an important resource (Gronbjerg, 1991; Hillman et al., 2009). Organizations need funding to remain operational. Because of NPOs' increased reliance on external funds, resource dependency theory can be used to explain issues surrounding sustainability. NPOs financial vulnerability is often created by their over reliance upon external funding and results in the increased dependence on funding from external resources to remain operational. Because NPOs are heavily dependent on receiving funds through performance-based government contracts, foundations, and donors, nonprofits are at risk for failure (Knutsen, 2012). The resource dependency theory frames research conducted on nonprofit administration and organizational sustainability to explain an organization's reliance upon its external environment (Sosin, 2011).

According to the resource dependency theory, NPOs seek to obtain and maintain resources as a tactic to drive down nonprofit financial starvation (AbouAssi, 2014). In controlling these resources, external actors (e.g., funding agencies) place requirements on NPOs to track and demonstrate their impact (Despart, 2016). As a result, NPOs' use of funder-required data becomes one-dimensional. Performance measure requirements are contingent upon dependencies (e.g., funder-required data, outcomes, and benchmarking). With that, NPOs respond to resource dependencies by complying, adjusting, managing or avoiding the dependencies. According to the main proposition of Pfeffer and Salancik (1978/2003), NPOs can identify the critical resources in their external environment, the availability to access them, and what entity or entities have control over these resources.

Since Pfeffer and Salancik (1978/2003), other scholars have extended the assumption inherent in resource dependency theory that nonprofit organization's survival is dependent upon external resources. The assumptions other contemporary works have proposed include the notion that organizational survivability is impacted by NPOs access to resources or a lack thereof, funding and information (data) to support organizational capacity, and overall survivability (Thompson, 2010). Resource dependence theory is used as a lens for understanding how leaders of NPOs approach program performance, the relationship between funders and providers while operating in an environment with limited resources (Carman, 2011; Ebrahim, 2010). Resource dependency influences organizational decision making and in turn allows funders to control the "when and where" funding is allocated as well as dictating what performance measures providers are to collect (Froelich, 1999; Mayhew, 2012; Pfeffer & Salancik, 1978/2003). Resource dependency theory assumes that NPOs would respond to their environment to ensure they have the funding needed to survive. NPOs depend on funding as a resource to maintain operations and that funding agencies have control over the allocation of the funds. As a condition of receiving funds, NPOs are tasked with demonstrating impact and accountability through performance measures as a means of accessing external resources.

Literature and Research-Based Analysis

This section describes the basic components of resource dependence theory and three core ideas: (a) NPOs' access to resources or lack thereof, (b) internal and external challenges to NPO sustainability, and (c) use of performance measures in NPOs. As a result of NPOs' dependence upon external resources, innovative tactics are used to

remain sustainable (and will be covered in the subsequent section). Agencies that are not well versed in collaboration, diversification of funds, and operating from a for-profit perspective are at risk for financial instability jeopardizing some organizations very existence (Fleury et al., 2011).

Many studies have assessed different avenues for NPOs to sustain through a resource dependency lens (Bell, Masaoka, & Zimmerman, 2010; Chikoto & Neeley, 2013; Froelich, 1999; Guo & Ancar, 2005; Hodge & Piccolo, 2005; Pfeffer & Salancik, 1978/2003). An organization's primary objective is to manage the external environment and resources to survive (Pfeffer & Salancik, 1978/2003). In many cases, NPOs dependent upon external funding from the government are restricted in the use of the money allocated. Besel, Williams, and Klak (2011) found that given the exceptional amount of time spent in complying with state and federal requirements, organizations were reluctant to rely on financing from the government for operational sustainability. Organizations were apprehensive due to the restrictions imposed on how funding could be utilized. As NPOs are placed under closer scrutiny, the accountability of public and private funding requirements has increased expectations and pushed NPOs to create new tactics for resource generation.

The resource dependency theory has been used to explain why NPOs have to use innovative tactics to create resources. Research conducted on NPO sustainability has yielded different ways to secure resources that were not available elsewhere or previously explored in a resource deprived environment. For organizations to be strategically innovative, a greater level of organizational capacity must exist such as the ability to plan

long term and distribute resources appropriately (Barbero et al., 2011; Despart, 2016). This is considered a key strategy in nonprofit sustainability (Choi, 2012). Modernization requires increased funding, which in turn demands proper technological and human resources (Barbero et al., 2011). Advanced strategies such as strategic planning, companies' marketing, and financial capabilities have been positively associated with market expansion and have been identified as key ingredients to achieving a high growth rate (Bryson, 2011). Both strategies require some level of organizational capacity. In a resource-restricted environment, achieving sustainability is difficult let alone achieving a high growth rate.

Innovation strategies adopted by organizations may produce advantages to help promote organizational sustainability as well as positive social change (Li, D'Souza, & Yunfei Du, 2011). A new generation of organizational practices is evolving (Whitney & Cooperrider, 2000). Nonprofit collaboration is a fairly new practice among providers in the NPO sector. One of the central ideas to sustainability is through collaboration as a way of gaining access to resources that an organization may not possess (Austin & Seitanidi, 2012). Over the past 30 years, NPO collaboration has increased drastically giving rise to a new way of gaining access to resources (Atouba, 2016; Atouba & Shumate, 2014; Sanzo et al., 2014). Guo and Ancar (2005) found that NPO collaborations were more likely formed if the agency was older, contained a large budget, received federal funding, but, most importantly, relied on fewer government funding streams. In some cases, collaborations are also considered a state funding requirement resulting in many NPOs formalized partnership to minimize the demand of having to

compete for resources (Jang & Feiock, 2007; Renz et al., 2010). For instance, the Community Legal Services and Counseling Center's CEO B. Mitchell reported that collaboration allows small NPOs like her agency of \$1 million annual revenue the ability to overcome costs associated with performance measurement (Forti & Yazbak, 2012). Collaboration allows for resource sharing instead of competing in an already scant funding environment.

Diversification of funds is a long-standing method used in organizations for reducing NPOs dependence. There is an elaborate index of organizational responses to sustainability and the empirical support for the diversification of funds, is an ideal approach to nonprofit sustainability when NPOs cannot control funding sources (Amagoh, 2015; Hodge & Piccolo, 2005). For NPOs to manage their sustainability in a changing environment, they must demonstrate a greater control over funding opportunities, such as developing and maintaining endowments, facilitating fundraising events, and capital campaigns, as well as creating social enterprises. As a means to prevent resource dependence, Froelich (1999) provided a summary profile that identified a growing trend of diversification of funds through revenue strategy created by NPO leaders in anticipation of the strategic advantages and disadvantages. Kearns et al. (2012) found that CEOs and board chairs evaluate different funding sources for the purpose of sustainability and suggested that NPO leaders select funding that encompasses a relationship between the dollars received and accomplishment of their mission. However, funding sources are not selected if leaders believe the requirements to obtaining the support are not aligned with the "organization's distinctiveness in the eyes of the

community” (Kearns et al., 2012, p. 137). Nonprofit leaders should make strategic decisions about organizational direction and financial management under diversification of funds due to the allocation of resource and its constraints (MacIndoe & Barman, 2012). Froelich (1999) explained that resource dependency certainly forces NPO leaders to go after funds for sustainability. However, the agency may drift from its mission and goals (Maier et al., 2014). Mission drift in an NPO poses a challenge in two ways: (a) NPOs access to resources or lack thereof is significantly reduced, and (b) a conflict is created between the internal and external environmental controls as it relates to funding opportunities. NPOs are seeking to balance and manage their mission driven agendas with increasing economic pressures (Chenhall et al., 2016). The loss of autonomy and a risk of mission drift will only further challenge NPO sustainability in a resource-restricted atmosphere.

Carroll and Stater (2008) found that NPOs can minimize their financial vulnerability in a limited resource environment through the diversification of funds. Further, Mayer, Wang, Egginton, and Flint (2012) examined the link and relationship between NPO volatility and revenue diversification and also tested different types of diversification impacting NPOs. The authors found that sustainability could be achieved through investments, hence reducing volatility and increasing diversification. Although NPOs can approach sustainability in several ways, diversification of funds is a common resolution.

Although early studies supported diversification as a reasonable industry tactic, some researchers have suggested there are too many NPOs creating a high demand for

resources that are just not available. Building upon the resource dependency's continuous influence, Paarlber and Varda (2009) provided a remedy for the lack of resources available by proposing a model that increases nonprofits community carrying capacity that incorporates a community to support network exchange. With studies conducted on nonprofit sustainability, the competition for resources increases when the demand for services increases in organizations (Paarlber & Varda, 2009). The concept of resource dependency is used in much of the literature as a basis and foundation to remedy the fundamental challenge of NPO sustainability.

Rationale for Theory Selection and Applicability to Study

Resource dependency theory fosters the idea that changes within an organization's environment occur when there is a lack of control over the external environment and available resources (Pfeffer & Salancik, 2003). An organization that is highly dependent upon a primary source of funding, such as government funds and grants, when few other financial options are available is more likely to struggle to survive during an economic downturn within the economy (Oster, 1995). The rationale for selecting the resource dependency theory is found in the concept of organizational survival and the reasons NPOs suffer an unforeseen future of vitality. Resource dependency theory explains the role in which environmental controls and resource deprivation plays in NPO sustainability. Funders require performance measure reporting not only for evaluation and accountability but to determine what organizations are able to compete for the maintenance of existing funding but for future funding as well (Lee &

Nowell, 2014). NPOs implement different strategies to sustain notwithstanding the need to compete for scarce resources in a changing industry.

The connection between the resource dependency theory and this study incorporates assumptions founded by Pfeffer and Salancik (1978/2003) that NPOs suffer from a lack of resources due to external interdependencies. However, NPOs have the ability to manage external-interdependencies. The use of required performance data to produce interorganizational power is explored in this study. Interorganizational power exists where required data is used to inform internal operations to create alternative internal resources to improve organizational sustainability as opposed to dependencies that are external in nature.

In sum, this study added to the resource dependency theory in two regards:(a) it will further the concept that organizational behavior and power over the external environment is extended to an organization's internal environment and process of managing resources that benefit its own sustainability; and (b) resource dependence will provide organizations with the motivation to find gaps within their own internal environment to improve the chances of survival. Later in the chapter, I further establish that alternative channels for increasing the survivability of NPOs are found in the external collaborations, and using for-profit business models (Austin & Seitanidi, 2012; Carroll & Stater, 2008; Chenhall et al., 2016; Fleury et al., 2011; Guo & Ancar, 2005). However, these alternatives cover the external environment. This still forces organizations to depend upon the external environment and resource base collectively.

In the next section, measuring performance within NPOs is discussed. The requirement to collect and report performance measures already exists as a condition to receive funding. I connect the need to collect performance data and the use of these data to promote sustainability in the following sections as well.

Measuring Performance in Nonprofit Organizations

Over the past 50 years federal funds have become more important to NPOs' sustainability. Between the 1960s and 1970s, the allocation of federal funds was significantly increased for charitable programs, and the federal government invested billions of dollars to be channeled to nonprofit programs. During the Reagan era in the 1980s, government funding for nonprofits outside the health care system decreased by \$38 billion for nonprofits (Kerlin & Pollack, 2010). In the early 1990s, also known as the performance measurement era, funders in the nonprofit sector expected NPOs to gain the capacity to measure their effectiveness as a matter of accountability (Liket et al., 2014; Lynch-Cerullo & Cooney, 2011). During the 1990s, scarce financial resources coupled with enhanced reporting requirements for performance-based contracts and service delivery added more pressure upon nonprofits to adjust to a changing environment to survive. These developments have established serious questions about the future of the NPOs and disadvantaged population's ability to access care provided by these agencies (Salmon, 1993).

In 1993, the Government Performance Results Act (GPRA) was enacted by Congress, which required that the Federal government focus on the performance of programs and assess the effectiveness of their programs (LeRoux & Wright, 2010). Also,

as a matter of federal oversight, the implementation of the GPRA, also required federal agencies to create strategic plans to track and monitor their organizational performance (Ugboro et al., 2011). The 1996 Welfare Reform Law provided attention toward how productive the public sector was in delivering services to families and the costs associated with it. Drawing on this development, many foundations and public and private donors established their own performance measures. Hatry, Johnstone Training and Consultation (JTC) Inc., United Way of America, and United Way of America Talk Force on Impact (1996), for example, published *Managing Program Outcomes: A Practical Approach* as a set of foundational guidelines to assist NPOs in utilizing and implementing performance measurements for program evaluation purposes.

By the year 2000, many NPOs suffered a decrease in funding, resulting in the failure of many social service providers to stay open and viable. Between 2002 and 2009, the U.S. Department of Health and Human Services directed the Compassion Capital Fund (CCF) to award capacity- building grants to expand and strengthen the role of NPOs that experience a deficiency in effectiveness, ability to grow, and scale, and remain sustainable due to limitations in capacity (Minzner et al., 2013). As NPOs faced the challenge of proving value to existing and potential funders, the capacity-building field still lacked a framework for proper evaluation (Alliance for Nonprofit Management, 2003). In 2009, the Boston Foundation, a large public charity organization in New England, declared that it would grant more substantial funds to NPOs with demonstrated effectiveness (Benjamin, 2012b). In 2010, another grant providing institution, the

Foundation Center, provided an impact evaluation tool for NPOs to utilize for evaluation purposes.

Despite funding pressures, the number of NPOs across the U.S. increased exponentially over the past 50 years. The number of reporting charitable organizations increased 47% since 2010 (Mitchell, 2014). More than 1.6 million charitable organizations with a 501(c)(3) tax-exempt status registered with the Internal Revenue Service (Roeger, Blackwood, Pettijohn, & Urban Institute, 2012; Smith, 2010). The importance of NPO sustainability to strengthen communities and add real social value through demonstrated positive impact has grown tremendously (Lynch-Cerullo & Cooney, 2011). As the number of reported 501(c)(3) increased, outcomes reporting and NPO accountability as a requirement of funding agencies also increased. Evaluation strategies were implemented to monitor NPOs performance and use of funding. For example, in 2014, newly adopted federal guidelines for NPOs receiving federal funds known as Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2014) were implemented to address two issues. The first issue was to reduce the administrative burden on award recipients and second minimize the risk of wasteful practices and misuse of Federal funds (OMB Uniform Guidance, 2014).

Measuring outcomes are the most common way for undertaking evaluative activities in nonprofit organizations (Benjamin, 2012a). Over the past 2 decades, NPOs must evaluate and report success through measuring outcomes in order to receive funding (Martikke, 2008). The growth of financial and competitive pressures, compounded by

government funding cuts within the nonprofit sector, have also directed an increased emphasis on performance measurement (Baines, Charlesworth, Turner, & O'Neill, 2014; Lee & Nowell, 2014). For nonprofit agencies to receive funding from the government, other donor agencies and philanthropic foundations require programs demonstrate an increased social return on investment (Benjamin, 2012b; Carnochan et al., 2013). As a means to ensure NPOs are meeting the social return on investment expectation foundations, and other donors require insight into an organization's operations and finances (Bray, 2010).

Measuring performance is an important factor for an NPO to receive funding, and for purposes of performance measurement and organizational decision making (Lee & Nowell, 2014; Selden & Sowa, 2011). In order to receive reimbursement for services delivered, public managers must show impact (Smith, 2010). Smith (2010) emphasized the competitive infrastructure the private and public sector has experienced serving vulnerable populations and the government's role in handing out funding to these organizations. The ability of organizations to satisfy government regulatory requirements, demonstrate their outcomes, and compete for funding at the same time is nearly impossible in some cases (LeRoux & Wright, 2010). The resources of using data to help gain visibility into organizational performance can be found in the data required by the government in performance-based contracts.

The relationship between NPOs and their beneficiaries is one that is primarily for accountability, but outcome measurements is one component that could produce a clearer sense of accountability between nonprofits and their beneficiaries. Research has

suggested that performance measures are mainly in place for external accountability, regulatory and compliance purposes (Benjamin, 2012b; Thompson, 2010). As funding agencies continue to require performance data, the more likely NPOs will produce, provide, and improve performance measures as a requirement for support and evaluation. The challenge is the more resource dependent an agency, the less organizational capacity exists internally to manage these requirements. The extent to which resource dependency in nonprofit sustainability connects will be discussed later in the chapter.

Key research on the use of funder-required performance measures to inform internal operations to improve sustainability is not abundant. However, LeRoux and Wright (2010) explored how NPOs use organizational performance management information to inform internal agency decisions. A national survey of hundreds of NPOs addressed the gap in literature found in this area of nonprofit management. From a national perspective, LeRoux and Wright investigated the connection between performance and planning at the organizational level. The researchers found positive tendencies for performance information use by nonprofit managers. Organizations that relied on performance measures increased the level of effectiveness within the organization. This finding is essential to understanding whether performance measures influence organizational effectiveness to the extent of sustainability. LeRoux and Wright added that the evidence found provides room for future studies to be embarked upon that can examine whether other types of performance management approaches improve organizational strategic decision making.

One benefit to implementing and using performance measures, whether or not they are required by funders, is sound management practice. Not only will funders be willing to invest, but organizations can evaluate their strengths and weaknesses of their service delivery and eliminate waste or reallocate resources to achieve resiliency and long-term sustainability (Bagnoli & Megali, 2009). In essence, the result is a positive long-term impact and a demonstrably positive impact when organizations seek funds to continue to operate. NPOs that rely heavily on financial resources provided by a funder are most likely to measure outcomes if new mandates are developed, even when resource constraints prevent them from doing so (Thompson, 2010). But the extent to which an NPO uses required performance measures and outcomes to improve its internal operations as a means to increase the sustainability of an organization in a resource deficient setting has yet to be addressed.

NPOs are usually the “go-to” agencies that provide social service assistance to the general public and communities in need. Jang and Feiock (2007) noted that government funding encourages collaboration between human and social service organizations, sometimes as a condition of funding. The flood of services required in communities produces a huge need for the government to come up with an alternative method of service delivery.

After an exhaustive review of the literature and scholarly resources from a historical start to current applications of performance measurements, Smith (2010) argued that further research is needed to assess the relationship between the government and nonprofits, the long-term implications of agency capacity building, and short-term

contract allocation as a final approach to sustainability. As discussed earlier in this chapter, performance measures have become increasingly critical for NPOs to receive funding. In this section, the review of the literature reveals how NPO leaders approach nonprofit management and sustainability.

This dissertation explored how and to what extent nonprofit organization leaders use funder-required performance measures and data to improve organizational sustainability. I sought to understand how performance data can be applied internally to inform NPOs operational practices to produce actionable information to drive and improve their overall sustainability.

In the following section I will address key literature on performance measures, leadership in the nonprofit sector, and how data are utilized with respect to nonprofit management and sustainability. The financial management of NPOs is also explored to provide an understanding according to the research to answer my underlying research question of how leaders of NPOs use funder-required data to remain sustainable.

Nonprofit Leadership

Nonprofit leaders must make comprehensive decisions about how to construct, operate, and empower their organizations in a state of constant change, multiple budgetary challenges, increased accountability, and competition (MacIndoe & Barman, 2012). Procuring external resources is an essential component of strategic and tactical management of any organization (Powell & Ray, 2015). Organizational leaders must understand the importance and challenge of their reliance upon government contracts, foundation grants, and other financial support and the role they play in the organization's

sustainability. The top executive team is usually responsible for the overall performance of an agency as well as the long-term strategic planning and sustainability of the organization.

Nonprofit organizational leadership and the financial administration of NPOs are often made up of a variety of roles and responsibilities of the top management team (Ugboro et al., 2011). Generally, the CEO, executive director (ED), president, CFO, COO, and board of directors are responsible for the governance of NPOs and their organizations' financial health, strategic planning for organizational sustainability, as well as the organization's performance outcomes (Kearns et al., 2012; Purdy & Lawless, 2011). In some smaller grassroots NPOs, the CEO assumes the responsibility alone (Ugboro, et al., 2011). CEOs have authority over the performance and strategic direction of their organization. CFOs, on the other hand, are responsible for relating performance measures with the supply and demand side of financial administration (Saliterer & Korac, 2014). The CEO, CFO, COO, and the board of directors can make major internal and external decisions that can affect organizational sustainability, such as yielding substantial capital investments, executing business acquisitions, and conducting an internal reorganization.

Nonprofit leaders are accountable to many internal and external stakeholders such as funders and other organizational partners (Hatry, 2008). As a matter of competence and compliance, NPOs are faced with internal pressure from the board of directors to incorporate performance measurement as a matter of evaluating the impact of service delivery (Newcomer & Brass, 2015). NPO leaders are often tasked with ensuring positive

performance and face scrutiny from constituents if outcomes are not reached (Crossland & Chen, 2012). NPO leaders must find creative ways to start the process of measuring the performance. For example, Roca, an \$8.1 million nonprofit organization located in Chelsea, MA, helps youth returning home from incarceration find employment to reduce the recidivism rate (Forti & Yazbak, 2012). The chief knowledge officer, A. Chablan (personal communication, April 23, 2012), explained that “if you are totally committed, there is a way to do performance measurement with few resources.” Effective leadership and decision making in nonprofits are especially relevant to NPO sustainability. If an organization is having adverse outcomes and performing poorly, a nonprofit’s board of directors has the ability to hold a CEO accountable to ensure sustainability under the strategic management of an organization (Crossland & Chen, 2012).

NPOs’ leadership and organizational performance are concepts that are not mutually exclusive of one another. Evidence suggests that the organization’s performance is determined by effective leadership. For instance, the Urban Institute conducted a study of 3,000 NPOs across the United States and found that the inability to maintain organizational direction long term was due to ineffective leadership (Schneider & George, 2011). Schneider and George (2011) further noted that failure of boards to execute their responsibilities also negatively impacts organizational performance. Thus, NPO organizational effectiveness, success, and sustainability depend on NPO leadership (Mitchell, 2014). Strong nonprofit organizational leadership, as well as a commitment to strategic planning and execution of organizational performance measures from top-level

executives, is a formidable tool in resource allocation and performance measurement (Ugboro et al., 2011).

Resource dependency theory is an extension of much of the literature based on organizational, agency, and strategic management theory and reflects numerous influences on organizational effectiveness. These principles give rise to an NPO's organizational capacity and sustainability. As it is important to understand from a nonprofit leadership perspective, achieving organizational goals, surviving and flourishing require nonprofits to have long-range strategic plans that continually respond and adjust to social, economic, and political environments (Amagoh, 2015). However, some management scholars argue that because NPO leaders encounter pressures to produce quick results and short-term returns that long-term planning is often forgone (Graham, Harvey, & Rajgopal, 2004; Laverty, 1996; Marginson & McAulay, 2008). Nonetheless, conflicts across management theories have provided more questions than answers when addressing resource allocation decisions and time horizon (Reilly, Souder, & Ranucci, 2016). The outstanding issue of time horizon and resource allocation is that nonprofit leaders do not immediately see the benefits to long-term planning and resources are often needed straightaway (Brochet, Loumioti, & Serafeim, 2015). Resources do not tend to stretch into the long-term in an already resource deprived environment. And still, more research is needed to evaluate effectively whether funder-required performance measurement data can be used by nonprofit leaders in a resource-restricted environment as a means to remain sustainable.

Nonprofit Financial Management and Organizational Capacity

Although some NPOs can benefit from operating like a for-profit business, they are sometimes not managed in that respect (Jensen, 2017). Evidence suggests NPOs become more business-like to meet organizational obligations (Bish & Becker, 2015; Chenhall et al., 2016). Because NPOs do not exercise a for-profit business model, many NPOs do not pay the full cost of services (Gronbjerg, 1993). A typical existing problem within NPOs is the difficulty in budgeting and maintaining funds, mostly due to their reduced capacity of managing cash flow, collecting data to illustrate the impact and present outcomes achieved to existing funders, stakeholders, and potential new business (Lee & Nowell, 2014). To satisfy these requirements, organizational capacity must exist to support the level of expertise needed for proper program budgeting and performance measures. This demand calls for NPOs to hire evaluators and accountants. There is value in obtaining outside experts to assist in building internal capacity in addition to developing different measurement approaches that include selecting a data management tool, which data to collect, what methods are best, how often to collect the information, and how best to use the data (Forti & Yazbak, 2012). Although there is value in operating like a for-profit business, NPOs often lack the internal capacity to implement different strategic approaches to support performance measurements and outcomes tracking.

To become more cost conscious and financially efficient, a clear understanding of nonprofit management is necessary to help NPOs improve their performance, operations, and processes. According to Bryson (2011), organizations that are sustainable thrive when they respond to the challenges the world presents. Financial capacity is defined as

the financial ability of agencies to carry out their missions and remain sustainable (Wang, Hawkins, & Berman, 2014). An NPO's ability to retain the financial capacity to survive over time as a matter of financial management by definition is financial sustainability (Bowman, 2011). Different approaches to financial sustainability must be explored in a resource restricted environment.

Ways to improve sustainability. Having control over resources is difficult in a climate that experiences constant change in funding distributions and allocation. Further, government funding must be spent as proposed. In 2016, the Bridgespan Group conducted a study that found evidence that NPOs with an initiative to address social change received a lower share of funding. Between 2000 and 2012, only 2% of the largest human service agencies (\$10 million or more in annual revenue) in the United States received a gift of \$10 million or more (Foster, Perreault, Powell, & Addy, 2016). This is for two reasons. First, information on impact is hard to retrieve in a mission-driven organization focused on social change; second, 80% of the funding goes to institutions such as universities, cultural institutions, and hospitals. However, some funders grant unrestricted funds that allow for flexibility to assist in supporting nonprofit sustainability pursuant to administrative costs to support operations and capacity building. Other funding prevents NPOs from utilizing the funding outside of its intended purpose (Gronbjerg et al., 2000; Mandeville, 2007).

Organizational capacity. Organizational capacity begins with the evaluation of nonprofit expenditures that cover administrative expenses (employee salaries and benefits) and operating expenses (utilities, equipment, rent, and insurance) (Martin,

2001). The majority of NPOs' spending across their annual budgets is dedicated to personnel expenses such as wages, benefits, and staff training. In addition, organizational capacity is often comprised of an agency's ability to allocate resources related to identifying performance measures, investing in the implementation and design of a performance management system, and depending upon staff to track, monitor, and report outcomes that satisfy various funders (Elkin, 1985; Smith & Lipsky, 1993; Young & Steinberg, 1995). Also, the literature suggests that NPOs that spend more on administrative costs than funding allocated for program expenses receive less donor support (Chikoto & Neely, 2013). NPO leadership and organizational direction as well as financial management and organizational capacity determine how well an organization will maintain. The next section explores NPOs use of performance data and its impact on organizational capacity and sustainability.

NPOs Use of Performance Data

The general use of performance measures in a nonprofit environment is usually for data collection and evaluation for external compliance. Data collected and used by nonprofits tend to include evaluative performance measures as a means to identify any modifications needed at the program level and to verify whether challenges were addressed at service delivery (Morino, 2011). Morino (2011) further stipulated that the most important use of performance management is to offer data on program operations and outcomes to be utilized to improve program effectiveness. The message stops short of assessing how NPOs can use the data to improve overall organizational sustainability internally.

On one hand, at a time when resources are limited, the typical performance tracking activity is used for monitoring and local evaluation (Scheirer, 2012). On the other hand, at times collected data can be detrimental or adverse. For example, outcome measures and the connection between cost savings, efficiency, and staff performance was found to undermine social workers' and employees' identity as caring individuals (Baines et al., 2014). Further, some data collection activities negatively impacted one-to-one interactions between staff and clients. With regard to organizational mission, participants thought that outcomes measurement narrowed the concept of care and frustrated them in their work (Selden & Sowa, 2011). Staff and managers tend to have different understanding of performance management and data collection processes (Maxwell et al., 2016). Tracking performance measures for the purpose of organizational and program effectiveness and accountability is a visible hardship internally, one that increases staff's frustration of responding to funder-mandated outcome measures (Carnochan et al., 2013). One of the pitfalls to implementing government performance-based contracts with regulatory requirements in addition to funder-required performance reporting is that nonprofits have an obligation to perform their contractual obligations as a primary condition to remain open. At the same time, clients and communities may not receive important services as expected (Heinrich & Choi, 2007).

Using data collected through a performance measurement solution can produce visibility of any negative or positive impact a program is having versus not having an implemented solution (Benjamin, 2012a; Carnochan et al., 2013; Leroux & Wright, 2010; Liket et al., 2014; Smith, 2010). Despite challenges in the general use of data collection

activities, evaluation and accountability, performance outcomes are necessary for information gathering purposes as well regardless of the challenges organizations face.

As mentioned earlier in the chapter, funders' use of performance data is primarily for accountability and compliance. Although funder-required reporting on performance has increased the use of performance measures, organizations are met with resource constraints mitigating the internal use of the data for strategic management (Thomson, 2011). The use of NPOs funder-required performance data for the purpose of program evaluation was further explored with Liket et al. (2014) case study. The study explored the research question of why evaluations are not working and what NPOs should do about it. NPOs do not have the budgetary capabilities to incorporate external resources such as professional evaluators (Liket, Rey-Garcia & Maas, 2014). These challenges are not unique or uncommon in nonprofit management.

NPOs, performance measures, and leadership. How NPOs use funder-required performance measures is key to the role funding plays in organizational capacity and sustainability. Past research has suggested NPOs primarily use such data for evaluation and accountability purposes, which is expected in the nonprofit sector (Eckerd & Moulton, 2010; Owczarzak et al., 2015). As NPOs grow and develop, the data collection process should be made useful not just for the sake of information gathering but to increase visibility and knowledge into evaluating organizational sustainability (Højlund, 2014). The literature falls short of addressing the use of funder-required performance measures and evaluation particularly related to internal use for sustainability.

Using funder-required data as verifiable data to make decisions can be a valuable business strategy. Research suggests that data-driven decision-making increases performance and the effectiveness of management decisions in NPOs (LeRoux & Wright, 2010; Maxwell et al., 2016). Some funder-required data collected may consist of an NPO reporting how many clients were served in a particular date range as well as how much time was spent working with each and how many clients completed the program. Moreover, these performance data can be employed as a means to reduce administrative costs (Bunger, 2012; Gronbjerg et al., 2000), staff overhead costs (Guo & Ancar, 2005), compete for resources (Smith, 2010), reallocate funds for staff training and support if needed, rather than continuously placing money in departments, programs or staff that continue to fail. As a matter of practical application, the data collected in this example can also be used by NPOs to improve organizational capacity and financial viability by evaluating operationally how much time staff is spending with a client against the rate of success. Furthermore, executive leadership must consider the impact of a program, the allocated revenue and any expenses related to the service delivery and administrative costs before terminating the program or activity (Bell, Masaoka, & Zimmerman, 2010). This is especially critical in an environment where NPOs are desperately seeking to reduce administrative costs. Administrative coordination is a viable strategy explored by research to control and reduce administrative cost in a resource-scarce environment and improve sustainability (Bunger, 2012).

Prior research has indicated NPOs lack the ability to sustain, suffer mission drift, and loss of autonomy due to funding allocation or lack thereof based on performance

reporting in a resource-restricted environment (Benjamin, 2012a; MacIndoe & Barman, 2012). The issue is many NPOs are struggling to remain fully operational, compete for government funds, and deliver the same quality services (Smith, 2010). According to the Brookings Institution (n.d.), funders have never been so centered on the economy and results while constituents and clients have increased their demand for efficiency and responsiveness (Making Nonprofits Work | Brookings Institution, n.d.). At the same time, NPOs are also fighting a battle of seeking ways to sustain long-term. NPO Leadership must use performance measures to not only stay compliant with funding requirements but also for access to the necessary external funding resources to remain sustainable, demonstrate overall impact, and build the capacity to compete (Light, 2000). Light's (2000) research has given visibility into how NPO's can use performance measures as a means to gain funding as a resource in a highly competitive environment to financially manage the organization appropriately.

Sustainability. Many high impact programs are losing money, and for organizations to survive they must integrate financial and impact information as well as strategic decisions made internally for long-term economic viability (Sosin, 2011). Accordingly, financial viability rests on the business logic of nonprofit income, executive decision making and leadership and programs that have high impact but low profitability (Bell et al., 2010). Overall, the literature gives a broad sense of an organization's capacity to make changes internally and the lack of control over resources that render them inflexible in some areas but does not explain to what extent NPOs are empowered

to use funder-required data to improve organizational sustainability and its effect on organizational capacity.

A number of studies have examined nonprofit sustainability from the perspective of nonprofit leaders, funders and stakeholders. Funders require NPOs to report program success through performance data to receive funding (Lee & Nowell, 2014). The resource dependency theory (Pfeffer & Salancik, 1978) provides the framework that financial support for programs offered as a needed resource to operate is a critical part of the ability for an organization to survive. In this study, I addressed the lack of attention to how NPOs are using performance measures operationally to impact and improve sustainability. I did so by examining NPOs use of performance measures, the role of nonprofit leadership in managing NPOs organizational capacity with respect to nonprofit sustainability. Evidence suggests NPOs already accumulate performance measures to satisfy conditions for funding. The results of this study provide nonprofit administrators a new approach to improve nonprofit financial management and organizational capacity through performance measures as a practical application for NPOs that depend on external resources to survive. This would most certainly include an organization's ability to plan strategically for current and future goals set for the organization and pragmatic strategies for innovation that will assist in organizational growth as well as satisfy funder requirements for data collection and reporting. This research extended knowledge in nonprofit management and the use of required performance measures to give NPOs another way to survive during uncertain economic times. Maintaining a long-term financial viability plan is imperative to NPO survival.

Summary and Conclusions

The focus of my research question was how and to what extent nonprofit organization leaders use funder-required performance measures and data to improve organizational sustainability. Funder-required data have customarily been used in evaluation purposes rather than operational intelligence. Organizations are reliant upon external funding resources to remain sustainable. The lack of organizational capacity with respect to resource availability has NPOs sustainability in limbo. The resource dependency theory can be used to explore the dynamics of nonprofit sustainability. An organization's resource dependence is borne from the lack of external control over resources (Froelich, 1999; Pfeffer & Salancik, 1978/2003). An organization's ability or lack thereof to obtain and secure funding as a resource affects its ability to survive. The resource dependency theory has a direct linkage to this study as it provides the foundation to my research question of using funder-required data to improve NPO sustainability.

To provide the background for my research, in this chapter I addressed key elements of the scholarly literature on NPOs requirements for performance measures, nonprofit leadership role, use and challenges in collecting performance measures in the nonprofit sector, organizational capacity, and how data are utilized with respect to nonprofit management and sustainability. NPO financial management was also explored and included a variety of ways in which NPOs can remain sustainable.

The literature established that the government and other donor agencies require grantees to demonstrate their impact in a way that provides confidence, hails accountability, and demonstrates organizational effectiveness as a condition to receive

funding. As such, NPO leaders face a difficult challenge and are forced to contend and operate in a changing milieu or face of the demise of programs and the entire organization. The literature suggest nonprofit leaders have found it necessary to measure performance and report results to funders, but the greatest use of data collected in their organizations has been to improve the ability to meet their mission first and not necessarily use the data as a means to stay sustainable. Many nonprofit leaders have admitted that meeting their mission and seeking external funding can be a conflicting and challenging undertaking (Forti & Yazbak, 2012). Nonprofit organizational capacity has been well documented as a challenge for leaders who lack the available external resources to take advantage of information-rich data. Many NPOs use funder-required data as a means of evaluation and external applications (i.e., reporting to funders) exclusively. Some NPOs budgetary limitations do not allow for NPO leaders to obtain evaluators, performance management tools, or access consultants well versed in data analysis and interpretation (Forti & Yazbak, 2012).

As outlined in the sections above, researchers have identified some advantages and disadvantages to managing performance as a regulatory and contractual requirement (Barnow & Heinrich, 2010; Smith, 2010). An abundance of literature suggests a variety of ways in which NPOs can remain viable when financial resources are unavailable: the diversification of funds (Carroll & Stater, 2008), using a balance or mix of funding including utilizing for-profit business practices to survive (Chenhall et al., 2016; Fleury et al., 2011), and external collaboration (Austin & Seitanidi, 2012; Guo & Ancar, 2005). In addition, administrative coordination and other remedies have been explored but not to

the extent of which organizations use government and funder driven requirements as a basis to inform internal practices (Atouba, 2016; Sanzo et al., 2014).

The dependence on outside resources to remain operational is predicated upon most NPOs' ability to sustain and serve their mission. The lack of available resources coupled with diminishing funding opportunities has forced NPOs to pursue other avenues of income generation to remain sustainable. What is missing from the literature and has generated a gap in research is the use of funder-required performance to support NPOs' ability to inform internal operations as a means to sustainability.

My research took this concept and further explored how and to what extent data collected and required by funders can be used as an informational support to inform overall organizational sustainability and improve program service delivery. The original contribution to the literature was the in-depth look into how social service organizations employed funder-required data collection for dual purposes: effecting positive social change and organizational sustainability. Additional contributions included supporting and advancing a conceptualization of NPO professional practice that promotes the successful management of NPOs. A qualitative case study was used to address the gap in the literature. Interviews, reports, and document reviews were conducted to associate how NPOs use funder-required performance data internally to improve NPO sustainability, enhance organizational capacity, and improve financial management practices.

In Chapter 3, the research design and methodology will be addressed. I will conduct a qualitative case study to address the gap in the literature of how NPOs use funder-required performance data internally to improve organizational sustainability,

enhance organizational capacity, and improve financial management practices. The data collection and analysis protocol will be presented. I investigated 10 NPOs across the state of Massachusetts. The chapter also provides details of how interviews with NPO leaders and document reviews of 990 filings, board meeting minutes, and annual reports were conducted to provide an in-depth understanding of the research question. Ethical considerations are also discussed.

Chapter 3: Research Method

The purpose of this qualitative case study was to understand how and to what extent NPOs use funder-required performance data to improve organizational sustainability, enhance organizational capacity, and improve financial management practices. A qualitative case study provides an in-depth, research-rich empirical investigation using multiple sources of evidence (Baxter & Jack, 2008; Yin, 2016). I conducted interviews and document reviews to increase the confidence in the findings as suggested by Atkinson and Coffey (2004).

In the following sections I address the research methodology and design that connects the need and suitability for a case study. I discuss why a case study was the most appropriate method, my professional experience in the nonprofit sector, and how any biases or ethical issues might have affected the data collection process. I also describe the data collection instrument and the target population and sampling procedures that I implemented. I also establish issues of trustworthiness and the ethical procedures that I used to ensure validity and reliability.

Research Design and Rationale

The central research question for this study was how and to what extent nonprofit organization leaders use funder-required performance measures and data to improve organizational sustainability. The main concepts I addressed included the challenges of nonprofit management in a resource restricted environment, the lack of internal and external organizational capacity, inefficient financial management, and the use of data collected and applied by leadership as the data relate to organizational sustainability.

To understand how organizations can use performance measurement data to assist in sustaining and remaining operational, I developed a qualitative case study, the most appropriate approach for addressing my research question. First, case studies are often used to answer “how” and “why” questions (Yin, 2016). Second, a qualitative case study offers tools specific to the study of multifaceted and complex phenomena in the context of their own environment (Baxter & Jack, 2008). Third, case study research designs embody the development of a theory of what is being studied in a real-life environment (Yin, 2016). As NPOs struggle to remain sustainable, the development of theory can provide a framework for more research regarding the use of funder-required data in a resource dependent environment and an organization’s ability to survive while satisfying regulatory practices of funders.

In a qualitative case study, interviews, observations, audiovisual material, archival documents, and reports are used to investigate a complex phenomenon (Babbie, 2001; Yin, 2016). A qualitative study encompasses a detailed, rich story that describes an organization (Miles & Huberman, 1994; Patton, 2015; Stake, 2010) and a theoretical framework (Yin, 2016). In a real-life context, I investigated executive leadership decision-making, an organization’s internal processes, and how it effects organizational direction. I asked nonprofit leaders open-ended, semistructured questions. I analyzed NPO documents, such as 990 reports, annual performance reports, and board meeting minutes, all common data-gathering methods in a qualitative case study inquiry. Denzin and Lincoln (2011) suggested studying a phenomenon in a natural setting is a solid way to interpret and make sense of what is happening in the actual environment. When there

is a concern with the development of high-level explanations and a complex framework to explore, case studies are often implemented (Korzilius, 2010). Case studies are often discovered in disciplines such as public administration, management science, and urban planning (Yin, 2016). For instance, the Annie E. Casey Foundation (as cited in Patton, 2015) embarked upon a 10-year change effort in 1999 to improve the outcomes of vulnerable children by transforming their neighborhoods, improving economic situations for parents, and connecting services supports and social networks. The case study focused on measurement choices and challenges. Case study data can give a researcher an understanding of a phenomenon in a contemporary context.

The research question, research design, and methodology lent themselves to a case study approach because I intended to understand a single unit of study where the central unit of analysis was an organization. Case study inquiries can provide an in-depth story of how social service NPOs (unit of analysis) (Rudestam & Newton, 2015; Stake, 2010) can use required data to receive funding as a tool to improve internal operations through the decision-making process of executive leadership (subunits of analysis) (Scholz & Tietje, 2002). Case studies combine data from a variety of sources and perspectives. This study needed the flexibility of a case study to address the gap in the literature on NPO use of funder-required performance measures to improve organizational sustainability with dwindling funding resources available. The central research question centered on NPOs' use of data internally and operationally. Combined data from interviews and documents reviews were best suited for this particular research topic.

A quantitative inquiry was not appropriate for this study. Quantitative research is often used to determine relationships between variables and answers the question of “how many” (Lee, 2014). A statistical analysis associated with quantitative research would not have provided the type of in-depth data needed for a comprehensive descriptive analysis of a phenomenon but rather focuses on statistically aggregated data.

Role of the Researcher

I was an observer-participant in this case study. Participant observation occurs within a natural setting through observing and participating in face-to-face interviews (Kawulich, 2010). As a participant-observer, researchers collect data in the field gathering and recording field notes to develop a well-rounded comprehension of the physical environment, social, cultural, and economic contexts (Bernard, 1994). Observing and participating are essential to understanding the breadth, depth, and intricacies of the human experience in a real-life setting (Yin, 2016). I recorded field notes from face-to-face interviews while observing the participants during the interview.

When conducting qualitative research, the researcher is the main tool for analysis (Leech & Onwuegbuzie, 2011). Participant observation requires the researcher to be aware of his or her gender, ethnicity, class, and theoretical methodology (Dewalt & Dewalt, 2002). Common limitations in using participant observations are (a) it is inherently subjective, and (b) research is conducted by a human capable of making errors as he or she serves as the main instrument for data collection (Johnson, Allen & Sackett, 1998). To avoid bias, a researcher must (a) remain balanced, fair and neutral to establish trustworthiness as a researcher (Patton, 2015), (b) respect any and all potential power

imbalances during the interview process and avoid asking leading questions, (c) avoid exploitation of participants, (d) withhold sharing personal impressions, and (e) avoid disclosing sensitive information when requested (Flick, 2014). As such, I remained aware of my own biases, convictions, and expectations during the data collection process.

I also implemented an interview protocol, data collection methodology, and research design to assist in increasing the validity and reliability of the data collected. To avoid bias, I kept a weekly journal in a separate notebook throughout the data collection process to remain aware of my feelings, personal viewpoints, values, beliefs, and biases in order to minimize the risk of negatively influencing the research (Ben-Ari & Enosh, 2011; Tufford & Newman, 2012).

To improve transparency, avoid cognitive researcher bias, and establish the intent of the study, I shared my past and present experiences with the participants. As I embarked on the study, I had more than 15 years of experience working in the nonprofit sector, holding numerous positions such as counselor, case manager, and program director. I also had 5 years of experience working with a performance management software solution used by NPOs around the world as their data tracking and performance management tool used to measure community and organizational outcomes. Working with various NPOs in Massachusetts, I had firsthand experience working with performance measurements and data collection requirements. I also understood and participated in nonprofit management and fiscal oversight of program budgets. I had witnessed the closing of a large NPO, which shaped my desire to research NPO sustainability. I had a broad range of professional experience in the nonprofit industry,

which influenced how I conducted the interviews. However, I remained unbiased and impartial in my research and data collection process. Despite my experience in the nonprofit sector, I had no power relationships with any of the participants I interviewed.

Methodology

NPOs were the units of analysis. I conducted an Internet search using GuideStar to identify the target population for this study, 10 NPOs located in Massachusetts. Guidestar.com gathers, disseminates, and provides information about every IRS-registered nonprofit organization in the United States. Each organization met the following criteria:

- Was established within the last 20 years as nonprofit organization.
- Had an annual revenue between \$1 million and \$20 million as of 2016.
- Held a tax-exempt status of a 501(c)(3).
- Filed IRS 990 tax forms consecutively from 2011–2015.
- Had funder-required performance measures

A typical sampling strategy in qualitative case study research is purposeful sampling (Abrams, 2010; Lincoln & Guba, 1985). Purposeful sampling is a nonprobability sample that is selected based on characteristics of a population and the objective of the study and depends on a researcher's judgment when units, cases or organizations, individuals, programs, events, and selected data are chosen to be studied (Jupp & Sage Publications, 2006). The focus in qualitative sampling is choosing information-rich cases for in-depth study to enhance the fullness, strength, depth, and breadth of the material (Korzilius, 2010). A purposive maximum variation sampling

strategy was ideal for this case study because the sample that was investigated was small, allowing great insight into a phenomenon from all angles (Maxwell, 2013). A random sampling strategy for this qualitative case study was not the best option. Marshall and Rossman (2014) asserted that conducting a random sampling of a population is useful if the characteristics of the population are normally distributed. In this qualitative case study, there was no evidence to suggest that what made up NPOs and the characteristics of each were distributed normally, making the random sampling probability approach inappropriate.

Normally, in case study designs, the sample size is small so that rich data (Gelo et al., 2008; Stake, 2010; Yin, 2016) can be gathered to identify trends, patterns, and different points of view relative to an organization, group, or individuals with different roles (Marshall, 1996). In all qualitative studies, a sample size of 15 is considered acceptable (Guest, Bunce & Johnson, 2006). However, saturation can be achieved with a small sample size of 10. Saturation is reached when the information gathered from a pool longer contributes anything new to the understanding of the phenomenon being studied (Green & Thurgood, 2009). Accordingly, I investigated 10 different NPOs in the state of Massachusetts that met the population requirements set forth above.

To constitute a purposive sampling strategy, I used my judgment based on my professional knowledge working with a variety of nonprofit agencies. I handpicked 10 social-service agencies categorized by the IRS as a charitable organization or public charity. Public charities are organizations that receive income to support program services through grants, government contracts, foundations, and individual donors based

upon the conduct of activities in furtherance of the organization's tax-exempt objectives (IRS, 2016). The selection included agencies that provide multiple support services to vulnerable communities with a concentration on populations affecting individuals, youth, and families in the realm of housing, education, and employment in the urban areas across the State of Massachusetts. According to a report conducted by the Boston Foundation (2012), the basic needs addressed by 21 philanthropic agencies included working to support NPOs that provided housing, shelter, and emergency assistance services. During the economic downturn, NPOs in Massachusetts provided these services when the economy not only impacted their funding but obstructed household employment and stressed family budgets, resulting in the reallocation of NPO resources to be redirected from areas such as arts and education to food assistance (The Boston Foundation, 2012). Therefore, sustainability is critical for the types of social service agencies selected.

After 10 NPOs were selected, I identified one or two leaders of each agency through LinkedIn to ask if they would be willing to be interviewed for the study. I developed a recruitment letter (see Appendix A) inviting NPO leadership to participate in the study. The letters were emailed via LinkedIn. If the leadership declined to participate, I sampled again and outreached to other Massachusetts NPOs and leadership for participation in the study. For any NPO that declined to participate, I followed up with an email thanking them for their consideration of participating in the study and specified that no further action would be taken on my end or needed on theirs.

Accordingly, once the leadership of the 10 NPOs agreed to participate, I followed up with a recruitment letter. Once I had agreement from an NPO leadership to participate in the study, I interviewed one or two executive level employees, such as CEOs, CFO, COOs, director of development, or data personnel, from each organization. The criterion for which the individuals to be interviewed was based upon leadership staff that had direct experience working with data, funders, finances, internal operations, organizational decisions, and organizational capacity.

Instrumentation

Face-to-face, open-ended, semistructured interviews with one or two NPO leaders from each nonprofit organization were conducted and audio-recorded, along with document reviews of each NPOs 990 filings, annual performance reports, and board meeting minutes. Information obtained from these sources provided NPO performance data, internal operational decisions, and assets and expenses reported to the IRS, as well as information regarding funding received and allocated over the last 5 years (see Table 1).

Table 1
Case Study Instruments

Data Collection Instruments	NPOs
Interviews	Face-to-face, semistructured, open-ended questions audio recorded; 20 interviewees (2 participants per organization); interview questions
Document Review	Documents related to organizational operations and financial data (e.g., NPO 990 tax filings from 2011–2015; NPO annual performance reports from 2011–2015; NPO board meeting minutes from 2011–2015; funder-required performance measures)

Basis for Interview Questions Instrument Development

Based on the literature reviewed as well as my previous experience working in the nonprofit industry, I cultivated interview questions that encouraged the respondents to give elaborated answers to understand how funder-required performance measures were used operationally by NPO leadership. In addition, a series of standardized open-ended questions was developed and incorporated from the Bridgespan Group, Guidestar, and Fidelity Charitable. These three institutions cover categories of information needed to explore my research question.

The Bridgespan Group (2012) has consulted with nonprofits and philanthropists on leadership development support relating to a goal of scaling the organization and demonstrating social impact. Through rigorous research, the Bridgespan Group developed high-level questions to address whether executive leadership in NPOs has what it takes to meet the challenges of running the organization. GuideStar (2015) and

Fidelity Charitable (n.d.) have also developed a series of questions that assist philanthropists and other donors with identifying which NPOs they will support based on the determinants of sustainability and organizational effectiveness. As discussed below, I incorporated questions suggested by each research institute mentioned above based on the literature review, research informed principles, and themes across the nonprofit conglomerate from the perspective of funders and NPO consultants.

Six interview questions were asked in order to address the themes outlined in Chapter 2. The interview questions were aligned to specifically focus on (a) nonprofit leadership decisions regarding internal constructs, operations, and management; (b) nonprofit use of performance measures; (c) data collection and evaluation for external compliance; and (d) internal organizational activities that contribute and develop and sustain organizational performance and growth (see Table 2).

In addition, according to the practice recommended by Jacob and Furgerson, (2012) an interview protocol that includes an interview script was developed (see Appendix B). The interview questions were open-ended to provide as much information and insight to give rich and in-depth context for my research question. The set of questions took each respondent through the same sequence, with some flexibility of transition. During each interview, I avoided asking leading questions and did not provide personal impressions or disclose sensitive information.

Table 2

Research Themes and Interview Questions

Literature Review Themes	Interview Questions
NPO leadership decisions regarding internal constructs, operations, and management.	How are performance measures and data collected in your organization?
NPO use of performance measures.	Describe internal operational decisions that have been made as a result of the use of performance measures and data.
Data collection and evaluation for external compliance.	Describe the external funding you receive that requires performance measures to be reported. What main funder-required performance measures and data are collected in your organization?
Internal organizational activities that contribute and develop organizational performance, growth and the ability to sustain.	Do you regularly have the resources to cover your budget? Why or why not? How is performance measures and data currently and/or historically used internally?

The interview questions were primarily established to assist philanthropists and other donors in determining which NPOs will be supported pursuant to sustainability and organizational effectiveness. The sufficiency of the data collection instruments to answer the research questions is established through the research completed by each organization independently. I adopted the relevant questions provided by each source as interview questions that were asked specifically to cover the themes addressed in this study and to answer the research question.

Pilot Study

To ensure content validity or the appropriateness of the interview questions used in the study, a pilot study was conducted (Yin, 2016). The purpose of the pilot study was to ensure content validity in the instrumentation. Testing the procedures through a pilot study is one way to verify specific instruments (Kohlbacher, 2006).

The procedures for recruitment, participation, and data collection associated with the pilot study consisted of a convenience sampling strategy. I interviewed three NPO leaders from agencies not involved in my study. After each interview, I conducted a debriefing session with each interviewee to ensure that the questions were clear and whether they aligned with the purpose of the study. No revisions to the interview questions were needed. The feedback from one NPO leader included a suggestion to provide the interview questions prior to the interview for review. I added the suggested change into the data collection procedure for the main study upon IRB approval.

Procedures for Data Collection

Prior to the commencement of any data collection for this study, IRB approval from Walden University was acquired. My IRB approval number is 06-26-17-0488490. I was the sole collector of data. The two general types of data that were collected include interviews and documents.

Interviews. Interviews were arranged upon the selection of the NPOs whose leaders participated in the study. I used LinkedIn to find the names of two leadership staff in each organization, such as the CEOs, CFO, COO, director of development, or data personnel based upon their direct experience working with data, funders, finances,

internal operations, organizational decisions, and organizational capacity. As experts in their environment, NPO leaders and staff were intentionally selected persons because of their known experience or expertise with the problem of interest (Jette, Grover, & Keck, 2003; O'Sullivan, Rassel & Berner, 2008; Rubin & Rubin, 2012).

In qualitative research, interviews may be facilitated individually, or with a group, face-to-face, over the phone or online (Roulston, 2010). I conducted 14 individual semistructured interviews in person. The interview questions were open-ended and strategically developed to elicit as much information in the interviewee's own words (Roulston, 2010; Rubin & Rubin, 2012). A limiting factor to standardized open-ended questions is it constrains the flexibility and naturalness of the questions and answers (Patton, 2015). Patton (2015) further explained that "an interview is an interaction, a relationship. The interviewer's skills and experience can and do affect the quality of responses" (p. 428). I attempted to minimize the variation of data I collected to provide a structured interview with consistency and compare responses for interpretation and analysis.

Before the interview began, I reviewed the consent form and interview protocol with the interviewees and answered any questions the participants had regarding the study (see Appendix C). Consistent with the practices recommended by Flick (2014) the informed consent form established that the participant had (a) been informed about the study, (b) is participating voluntarily, and (c) may exit the study at any time.

Each interview lasted no more than 30 minutes. Interviews took place on-site at each institution in a quiet and private setting. I recorded the conversations with a

recording device and later transcribed them by hand into a Word document. Recording and transcribing open-ended interview responses provides high fidelity and structure in the data collection process (Rudestam & Newton, 2015). To ensure the information collected from each interview was correct, I sent each interviewee a transcript of the interview to verify accuracy. Only five interviewees formerly reviewed the transcripts. The five interviewees found typos as minor discrepancies, they emailed me the issues and they were promptly fixed as needed. No other changes were needed. The accuracy verification process was 15 minutes. Each participant had (7) days from receipt of the interview transcript to make the researcher aware of any discrepancies.

Document review. In case study research, a researcher must develop empirical knowledge by closely analyzing documents (Rapley, 2007). Documents can be analyzed as supplementary research data to corroborate other instruments used to collect evidence such as interviews and observations (Bowen, 2009; Denzin, 1970; Eisner, 1991; Jick, 1979). In case study research, utilizing various sources of evidence ensures validity (Yin, 2016). Documents used for systematic evaluation as part of a study may include organizational reports or files and various public records (Bowen, 2009). Documents provide stability in data collection and are suitable for repeated reviews, exactness, and coverage (Bowen, 2009). The type of documents that I collected and reviewed were NPO 990 tax filings, NPO annual performance reports, and NPO board meeting minutes.

Nonprofit organizations' 990 tax filings. A common limitation of using documentation as an instrument is low retrievability (Yin, 2016). However, NPOs 990 tax filings are a legal document regulated and required by U.S. government (IRS, 2016).

The reputability of this source provides the research with rigor in the data collection process. All 501(c)(3) private foundations file an annual IRS 990 form. The IRS 990 form provides the public as well as the IRS the ability to evaluate NPO operations and gives insight into the mission, programs, and finances. The information retrieved from the tax filings paints a clear picture of operational and organizational expenses, assets, and funding received to illustrate a financial resource dependence upon donors and other funding institutions reported to the IRS. A list of the current key employees, officers, and trustees is also reported. Most federally tax-exempt organizations (with some exceptions like churches and state institutions) file a 990.

Nonprofit Explorer and Guidestar distribute the raw data from the IRS 990 tax filings electronically and link them to .pdf files wherever possible. I retrieved data from the Guidestar database so that I could monitor and track changes over time systematically.

Nonprofit organizations' annual performance reports. NPOs' annual performance reports are organization generated to illustrate the impact of an agency to its constituents in the community (The Boston Foundation, 2012). Annual performance reports developed and produced by each organization will be used as a data collection method. The nonprofit annual performance report provides a list of donors to the organization as this information is not required in the 990 forms. NPO annual performance reports are an important source of information regarding funder-required performance data captured by the organization. Annual reports are also used to highlight NPOs impact, mission and provide information for donating to the organization (Council

for Nonprofits, 2016). Data collected from NPOs annual report provided the necessary data to evaluate what funder-required performance data was collected from 2011 to 2015. Annual performance reports were collected via Guidestar, which houses this information on its website if available. However, I was limited in the data collected as most of the NPOs available annual reports were not accessible from 2011 to 2015.

Nonprofit organizations' board meeting minutes. The IRS requires that 501(c)(3) public charities, other tax-exempt organizations and, private foundations should keep the board minutes permanently by the organization (Chan, 2011). Board meetings minutes provide data that aligns with the research question. The minutes reflect major internal and external decisions regarding organizational sustainability, including internal pressure from the board of directors to incorporate performance measurements (Newcomer & Brass, 2015). I asked each NPO for electronic copies of their board meeting minutes for my systematic review. In sum, using up to 5 years of documentation as a data collection tool, I compared and analyzed data to show how an organization had fared over the last half decade of operation.

Data Analysis Plan

Interviews. To manage interview data and my time and resources more effectively and efficiently, I used the NVivo11 software tool to identify common themes that capture the data that stood out in the interviews. Themes are wide-ranging pieces of information combined to form a common idea (Creswell, 2013; Maxwell, 2013; Patton, 2015). The common themes I looked for in the data and code using NVivo11 included NPO leadership, the use of performance measures, data collection and evaluation

practices, sustainability practices and, resource dependency. In Chapter 4 the data analysis describes how performance measures were used internally by NPOs and the extent funder-required reporting metrics improved NPO sustainability.

Document analysis. A document analysis is the process by which a researcher evaluates each document to establish empirical knowledge and understanding (Bowen, 2009). The document review provided accurate information regarding where and what resources were allocated and the financial distress an organization experienced regarding resource dependence. Document review analysis consists of pattern recognition in which emerging themes become the categories for analysis (Fereday & Muir-Cochrane, 2006).

To analyze the documents collected for review, I established the meaning of each document and its relevance to the research problem, purpose, contribution to the main concepts, and issues and themes being explored. A researcher should establish the ability to identify and distinguish between what information in the documents is pertinent (Corbin & Strauss, 2008). I analyzed each document for completeness, incompleteness, and discrepant data. I used a document review protocol to analyze the data in the NPO 990 form and a performance report protocol to analyze the funder-required performance measures and program success provided in the NPO annual performance report. NVivo11 completed the analysis of the narrative portion provided in each NPO annual performance report and NPO board meeting minutes.

990 tax-forms. A document review protocol was used to confirm that data found in the 990-tax form possesses were captured, analyzed, coded, and documented appropriately (see Appendix D). While combing through each NPO's 990 form, I

completed coding and constructed categories pertinent to the phenomenon. The document review protocol included data such as NPO main funding sources, funding amount, expenses, and programs offered from 2011–2015, which I analyzed for corroboration of themes. An annual performance report protocol was developed to capture the funder-required performance measures and program success from 2011–2015 of each NPO participating in the study (see Appendix E). All funder-required performance measures were captured, analyzed, coded, and documented accordingly for analysis.

Nonprofit Organizations 990 Tax Filings

Each NPO's main funding sources, funding amounts, revenue, expenses, and programs offered from 2011–2015 were retrieved from the 990 and analyzed using the document review protocol. Trend data, such as financial information nonprofit revenues and expenses found in each 990 form, were calculated by hand to illustrate total assets and total liabilities from over a 5-year period. The document review protocol helped me analyze the historic financial health of each organization and its experience to date, as well as the level of dependence on external funding from the government and other donors.

Annual performance reports & board meeting minutes. I used NVivo11 to analyze the data collected in the narrative components of each NPOs annual performance report and board meeting minutes provided from 2011–2015. The information provided in annual performance report narratives often includes communications regarding an NPO's mission and messages about the activities over the course of the past year or years. It may also include NPO program success stories and organizational performance.

The narrative provided by board meeting minutes gives a chronology of key information such as the administrative decision making regarding the adoption of performance measures, financial and operational resolutions, and the elections of key leadership, officers, and directors. The common themes of administrative, operational, and financial decisions provided in the NPO board meeting minutes were tracked and identified. The same common themes used in the data collection process for interviews were also applied to the NPO board meeting minutes for analysis. The rationale of using NPO board meeting minutes and NPO annual performance report in this study for data collection and analysis was to corroborate and substantiate data collected from each NPOs 990 tax form and interview responses. Using NVivo11 to conduct the analysis of the narrative component of NPOs annual performance report and board meeting minutes provided insight into an NPOs organizational performance and types of leadership decisions made in the organization as it relates to the sustainability.

To minimize the duplication of data provided by other data collection sources, funder-required performance measures and program success were identified using the NPOs annual performance report from 2011–2015. The funder-required performance measures and program success were analyzed using an annual performance report protocol. The analysis of these data gave me insight into the types of metrics captured in the organizations programs.

All data collected in this study were assessed for contradictory information or illustrated the presentation of a negative case. Any contradictory information that negates or undermines a developing category, theme, or pattern is a negative case (Ritchie &

Spencer, 2002). As such, all responses were included in the analysis, even discrepant cases.

Issues of Trustworthiness

Credibility

Scholars have insisted that qualitative researchers evaluate strategies to enhance the rigor and trustworthiness of qualitative data by establishing credibility, transferability, dependability, and confirmability (Krefting, 1991; Lincoln & Guba, 1985). Yet there is little consensus on what exact criteria establish rigor in qualitative studies (Amour, Rivaux, & Bell, 2009). A common strategy for researchers to ensure validity in a qualitative study includes implementing multiple sources of data collection methods (Creswell, 2013; Korzilius, 2010; Lincoln & Guba, 1985). In this qualitative case study, I established internal validity and credibility as follows:

- Implemented weekly journaling during the data collection process.
- Implemented open-ended, semistructured interview questions and conduct document reviews of NPO annual reports, 990 tax filings, and board meeting minutes from 2011–2015.
- Conducted a pilot study with the interview questions to ensure content validity of the interview protocol instrumentation.
- Audio-recorded each interview for transcription accuracy.
- Followed up with participants regarding the accuracy of interview responses.
- Use NVivo11 to sort and code interview data collected.

- Used a document review protocol to review data collected from the document review process.

Transferability

To enhance external validity, I implemented two strategies. First, I provided a rich context of information of the variation of participants of the study and the selection process. In addition, I showed the specific methods for collecting and analyzing the data. External validity is established to the extent in which generalizations from the research pursuant to participant, setting, and sample size can be made (Morse, 1999). The second strategy was establishing transferability so that other researchers can replicate this study with different individuals and in a different environment (Lincoln & Guba, 1985).

Dependability

To account for any changing conditions, dependability must be established. One strategy to enhance dependability in this study was through multiple data collection strategies (Schwandt, Lincoln, & Guba, 2007). As mentioned in the previous sections, this study used two different data collection methods to supplement and corroborate the evidence I collected.

Confirmability

To establish confirmability, I kept an audit trail of all documentation to allow others to verify descriptions. This includes full documentation of all interviews, researcher notes/memos, coding notes, document review protocol, and participant clarification notes to ensure accuracy of responses (Lincoln & Guba, 1985). In addition, I corroborated interview data and documentation to decrease the questionability of the

findings. I earlier noted my previous experience work in the nonprofit field. The informed consent document provided the purpose of the study. Any personal biases or characteristics that included race, gender, age, and professional status were discussed with each participant as suggested by Mays and Pope (2000). I did not allow my personal perspective to shape the analysis of the data. I concentrated on the research question, major themes, and patterns identified to ensure that the data analysis was valid and the credibility of the findings conclusive.

Ethical Procedures

To uphold the Walden's Internal Review Board (IRB) guidelines, ensure protection of human subjects, and address ethical concerns, the study incorporate an informed consent process in which the Walden University (2014) consent form was provided. Informed consent included information about confidentiality, the right to withdraw, risks, and benefits to all participants (Creswell, 2013; Flick, 2014; Shaw, 2008). Informed consent was collected prior to the leaders' participation in the study. Voluntary informed consent is a prerequisite for an individual's involvement in a research project and must be presented to enable subjects to voluntarily decide whether to participate (Lavrakas, 2008). Once the consent form was introduced and signed, the interview questions were presented.

Interviewees were informed that their participation was voluntary and that they could refuse to answer questions and stop the interview at any time during the interview process. Interviewees were informed that they could stop participating at any point in the research project.

In Chapter 4, NPOs are referred to by their service delivery area, and leaders are identified anonymously by role or position. The type of data I collected included interviews and NPO 990 tax filings, annual performance reports, and board meeting minutes. All nondigital data such as interview notes or audiotapes of the recorded interview are stored in a locked file cabinet located in a locked office only accessed by me. All digital data collected electronically such as uploaded documents are stored on a computer-encrypted, password-protected computer, and can be accessed only by me. Data will be destroyed after 5 years of being securely stored either physically, or, if digital, by permanent deletion.

Summary

The purpose of this qualitative case study was to understand how and to what extent NPOs use funder-required performance data to improve organizational sustainability. Through interviews and document reviews, the study addressed the challenges of nonprofit management in a resource restricted environment, the lack of internal and external organizational capacity, inefficient financial management, and how organizations use and apply data to sustain themselves. A case study was used to develop an in-depth understanding of the complex nature of nonprofit administration through a variance of data collection methods.

Through Guidestar, I identified 10 NPOs that fit specific criteria, to be selected upon their agreement to participate in the study. The data collection process included interviews and document review, a common pair of tools in qualitative inquiries (Patton, 2015). Two NPO executive leadership staff from each organization were interviewed. Six

semistructured, open-ended interview questions were answered by leadership. Each interview was recorded and transcribed for accuracy.

The document review consisted of my gathering and analyzing 990 tax-reports, annual performance reports, and board meeting minutes. A document review protocol was developed to identify patterns and assist in the recognition of emerging themes found in the documents. NVivo11 was used in addition to the document review protocol and annual performance report protocol to analyze the themes found in the narrative components of each NPO's annual performance report and board meeting minutes to identify common themes for the appointments of key leadership, the adoption of NPO performance measures, and information pertaining to financial, operational, and administrative decision making. The data obtained and analyzed were used to corroborate and substantiate the data collected from the interview responses provided by leadership in each nonprofit organization represented in this study.

In Chapter 4, I address the outcomes of the pilot study and the settings and demographics of the research. Data collection, analysis and results including the trustworthiness of the data collected. The rich data addressed the research question, which addressed how and to what extent there is a deeper use of data not just for regulatory purposes or demonstrating organizational impact to funders at the organizational, program, and community level but informing internal executive operational decisions to keep organizations prosperous, viable, and open for business.

Chapter 4: Results

Introduction

In this qualitative case study, I examined how and to what extent NPOs use funder-required performance measures and data to improve organizational sustainability. Long-term success requires information and the application of strategically managing long-term planning for organizational sustainability (Pandey, Kim, & Pandey, 2017). The sustainability of NPOs has been a challenge in a resource-restricted industry. To address nonprofit sustainability, I investigated how NPO leadership sought to make a difference in their respective communities while operating and relying uncertain, unavailable, or reduced funding. I explored internal executive operational decisions through the use of funder-required performance measures to keep organizations prosperous, viable, and open for business.

The purpose of this study was to address the problem of NPOs' ability to remain operational in a financially scarce and economically questionable environment. The major concepts I addressed were: (a) NPO leadership decisions regarding internal constructs, operations, and management; (b) NPO use of performance measures; (c) data collection and evaluation for external compliance; and (d) internal organizational activities that contribute and develop organizational performance, growth, and the ability to sustain. One research question guided this study: How and to what extent do nonprofit organization leaders use funder-required performance measures and data to improve organizational sustainability?

In this chapter, I address the outcomes of the pilot study I conducted prior to the main study. The organizational demographics of the research conducted is highlighted. I describe the data collection, data analysis, and the trustworthiness of the collected data. The answers to the research question are presented in this chapter.

Pilot Study

After Walden's institutional review board (IRB) approved the design of the study (No. 06-26-17-0488490), I conducted a pilot study and interviewed three NPO leaders in Massachusetts from agencies not involved in the main study. The intention of the pilot study was to test and ensure content validity in the researcher-developed interview protocol instrument and appropriateness of the interview questions I asked. Testing the procedures through a pilot study is one way to verify specific instruments (Yin, 2016; Kohlbacher, 2006). A convenience sampling strategy associated with the procedures for recruitment, participation, and data collection was used in this pilot study.

Each interview was scheduled to accommodate the participants. The interviews were conducted at the participant's place of business or in a quiet setting. The participants all received, reviewed, and signed a consent form. I explained the purpose of the pilot study and asked each of the six interview questions. The pilot study interviews were recorded using a digital recording device. At the conclusion of each interview, I conducted a debriefing session with each interviewee to ensure that the questions were clear and whether they aligned with the purpose of the study. As a result, the interview questions were determined to be appropriate and aligned with the research question and did not warrant revisions. The NPO leaders I verified the content validity of the

instrumentation after the pilot study was conducted; thus, I did not change the interview questions.

The overall impact of the pilot study on the actual research study resulted in a slight change in the data collection strategy. One NPO leader suggested I provide the interview questions prior to the interview for review. This strategy allowed the interviewees more time to consider their responses and add more in-depth detailed responses to each question presented during the interview process. I received IRB approval for this modification to the data collection process and added the suggested change into the data collection procedure for the main study.

Organizational Demographics

The population I investigated was limited to 10 NPOs across the Commonwealth of Massachusetts that provide multiple support services to individuals, youth, and families in the areas of housing, education, and employment. The case study research included NPOs established within the last 20 years as a nonprofit organization, had an annual revenue between \$1 million and \$20 million as of 2016, had a tax-exempt status of a 501(c)(3), filed IRS 990 tax forms consecutively from 2011–2015, and had funder-required performance measures. Table 3 illustrates the year established and annual revenue as of 2016 of the 10 NPOs examined. The 10 organizations ranged in age from 95 years established to 23 years established with an average age of 47.7 years. Also, the NPOs ranged in annual revenue as of 2016 from \$1 million to \$13.8 million with an average revenue of \$1.4 million.

Table 3

NPO Demographics

Unit of analysis (NPOs)	Year established	Annual revenue (as of 2016) in millions
Organization 1	1960	\$12.3
Organization 2	1968	\$3.5
Organization 3	1943	\$2.7
Organization 4	1981	\$13.7
Organization 5	1995	\$1
Organization 6	1983	\$13.8
Organization 7	1994	\$1
Organization 8	1991	\$2.3
Organization 9	1965	\$12
Organization 10	1923	\$9.8

Data Collection

After I delivered the recruitment letter via email to 10 organizations, the first round of emails resulted in leaders of three organizations agreeing to participate. Three organizations did not respond, two organizations responded that they were not interested in participating, one organization did not collect performance measures, and one organization did not fit the annual revenue criteria. Therefore, seven of the original 10 organizations sampled were excluded from participation. For any NPO that declined to participate or did not meet the preliminary criteria, I followed up with an email thanking them for their time. I sampled again for seven other Massachusetts NPO leaders for

participation in the study. Leadership from all seven NPOs responded to the email outreach, agreeing to participate in the study.

In this study, I had proposed to interview one or two executive level staff in each organization to total 20 interviews. Preliminary contact with leadership from all of the selected NPOs in the main study was made via LinkedIn. An email was sent to two executive leadership staff (i.e., CEOs, CFOs, COOs, director of development, director of evaluation, data personnel) in each organization with direct experience working with data, funders, finances, organizational decisions, and organizational capacity.

Each potential interviewee was contacted via an email message, which included a recruitment letter with a description of the purpose of the study and a profile for participants, setting, privacy and duration of the interview. Once I received the initial response to participate from NPO leadership, a copy of the six interview questions was provided. Date and location were then set to complete the interview.

The primary method used for collecting the interview data was face-to-face communication in the workplace of each participant as a matter of convenience. Each interview was audio-recorded using a digital recording device. Each interviewee was provided a consent form that was reviewed and signed prior to the commencement of the interview. While two interviewees from each NPO may or may not have been aware of one another's participation, any knowledge of participation was made known through the participants' own admission. Furthermore, each interview and its contents were kept confidential.

I interviewed 14 executive level staff in all, as six organizations were unable to provide a second interviewee (see Table 4). However, saturation was reached with the collected data.

Table 4

Units and Subunits of Analysis Interview Availability

Unit of analysis (NPOs)	Subunits of analysis (NPO leadership)	Subunits of analysis (NPO leadership)
Organization 1	Director of development	X
Organization 2	Executive director	X
Organization 3	CEO	Director of development
Organization 4	Vice President	Director of operations
Organization 5	Executive director	X
Organization 6	Executive director	X
Organization 7	Executive director	X
Organization 8	Executive director	Director of evaluation
Organization 9	Executive director	Executive director of education
Organization 10	Executive director	X

I used an interview script (see Appendix B), and each interviewee was allowed to provide as much information they felt they had to offer. The interviews lasted up 30 minutes. Throughout the interview, I added any clarifying details that were requested by the interviewee. The exact interview questions were used as provided in the interview script, and no incentives were promised in exchange for participation in the study.

I also took notes during the interview. Each interview was transferred from the recording device to a personal password-protected computer to which only I had access.

The interviews were transcribed using a transcription software. Any notes taken during each interview were reviewed and documented accordingly. To ensure the information collected from each interview was correct, I sent each interviewee a transcribed version of the interview to verify accuracy. Each participant had 7 days from receipt of the interview transcript to make the researcher aware of any discrepancies. Only five interviewees formally reviewed the transcripts. The five interviewees found typos as minor discrepancies, emailed me the issues, and were promptly fixed as needed. No other changes were adopted. Following the conclusion of each interview, I offered to provide a copy of my finding upon the completion of the study. A copy of the updated transcribed interviews was provided to each interview that requested a copy. Additionally, an email was sent to all participants expressing my appreciation for their participation in the research study.

Document Review

I conducted document reviews to associate how and to what extent NPOs use funder-required performance data internally to remain sustainable, enhance organizational capacity, and improve their financial management. The documents I collected included NPO 990 tax filings, NPO annual performance reports, and NPO board meeting minutes from 2011 to 2015. Documents used for systematic evaluation as part of a study may include organizational reports or files and various public records to corroborate other instruments used to collect evidence such as interviews and observations (Bowen, 2009; Denzin, 1970; Eisner, 1991; Jick, 1979).

Nonprofit organizations' 990 tax filings. NPOs are required to file IRS 990 tax forms, which I found online and were retrieved through Guidestar. I searched for (2011–2015) data from the Guidestar database so that I could monitor and track NPO financial changes over time systematically. However, as a variation of the original data collection plan presented in Chapter 3, I retrieved the NPO 990 tax information available from 2013 to 2015 in seven organizations, 990 tax information from 2014 to 2016 in two organizations, and 990 tax information from 2012 to 2015 for one organization (see Table 5). Yin (2016) mentioned that a common limitation of using documentation as an instrument is low retrievability and exactness. I assumed that the information gathered from the Form 990-tax filing was correct; however, the measurement capacity was limited without all the available data. The documented disadvantage of the 990-tax form data includes the misclassification of expenses and revenues (e.g., restricted versus unrestricted funds) as well as the accuracy of the data provided in the 990 from each organization giving the appearance profitability when in fact they are deficit spending (Prentice, 2016). Table 5 illustrates the NPO Form 990 tax filing documentation, annual performance report data, and board meeting minutes retrieved by year and availability.

The NPO Form 990 tax filing financial information was recorded using a document review protocol developed to identify patterns and assist in the recognition of emerging anomalies found in the financial data. The protocol was used to paint a clear picture of operational and organizational expenses, assets, and funding received. This data illustrated a financial resource dependence upon donors, and other funding institutions reported to the IRS.

Nonprofit organizations' annual performance reports. Annual performance reports developed and produced by each organization were used as a source of data. Annual performance reports were collected via Guidestar, which typically houses this information on its website if available. Annual performance reports were also obtained via an Internet search if unavailable in Guidestar. Data collected from NPOs annual report provided the necessary data to evaluate each agency's funder-required performance measures. I was limited in the data collected because most of the NPOs available annual reports were not accessible from 2011 to 2015. Two organizations had annual performance reports from 2011 to 2015, two organizations had annual performance reports from 2012 to 2015, one organization did not have an annual performance report available at all, one organization had a report from 2016, one organization had one annual performance report from 2015, one organization had one annual performance report from 2014, one organization had one annual performance report from 2012 to 2016, and one organization had one annual performance report from 2015 to 2016.

The information retrieved from the NPO annual performance reports included funder-required performance measures and identified funders. The data were collected and reviewed line by line inductively to identify emerging themes and patterns. The information was recorded using a performance review protocol developed to identify patterns and assist in the recognition of emerging anomalies found in performance measure requirements and funding opportunities. The protocol was used to paint a clear

picture of what funder-required performance measures each NPO collected and the consistency of funders and funding allocations received over time.

Nonprofit organizations' board meeting minutes. The IRS requires that 501(c)(3) public charities, other tax-exempt organizations, and private foundations should keep the board minutes permanently by the organization (Chan, 2011). I asked each NPO for electronic copies of their board meeting minutes for my systematic review. I sent an email to each participant requesting set of board meeting minutes any time between (2011–2015) electronically. I explained the information was confidential and would be analyzed for common themes in performance measure and data topics. The rationale of using NPO board meeting minutes in this study was to corroborate and substantiate data collected from each NPOs interview responses to answer the research question of how and to what extent do NPOs use performance measures and data to improve NPO sustainability. I was able to retrieve board meeting minutes from only two NPOs. One organization provided board meeting minutes from their October 15, 2014, board meeting, and a second organization from meetings held on September 13, 2016, and December 9, 2013.

Table 5

NPO Documentation Data Collection Availability Chart

Unit of analysis (NPOs)	NPO 990 tax filings availability	Annual performance report availability	Board meeting minutes availability
Organization 1	2012-2015	2016	1 (10/15/14)
Organization 2	2012-2015	Not available	2 (9/16/13; 12/9/13)
Organization 3	2012-2015	2011–2015	Not available
Organization 4	2012-2015	2012-2015	Not available
Organization 5	2012-2015	2012-2016	Not available
Organization 6	2012-2015	2011–2015	Not available
Organization 7	2011–2015	2014	Not available
Organization 8	2013-2016	2015	Not available
Organization 9	2013-2016	2015-2016	Not available
Organization 10	2012-2015	2012-2015	Not available

There were unusual circumstances and substantial variations in the data collection plan. I proposed to gather interview data from one or two executive level staff from 10 NPOs, totaling 20 interviews, but I was able to collect and analyze 14 interviews in total. I also proposed to gather NPO 990 tax filings, annual performance reports, and board meeting minutes from 2011 to 2015. I was able to collect consistent yearly NPO Form 990 tax filing data and NPO annual performance report data between 2012–2015 for most of the organizations researched via the internet, participant request, and Guidestar. Although data were missing, I was still able to address the research question. As Yin (2016) noted, low retrievability of documents is possible because interview data coupled

with supplementary information found in documents such as reports can still assist a researcher in uncovering insights that lead to answering the research question (Bowen, 2009).

Data Analysis

I used NVivo 11 to code, categorize, and organize interview transcripts, financial data collected from the NPO Form 990 tax filing documentation, NPO board meeting minutes, and NPO annual performance reports and then identify emerging themes and patterns. Analyzing and interpreting the data collected from interviews depended heavily upon the ability to manage, organize, and store the data for analysis. The data analysis included an initial manual process that involved a phrase by phrase coding and analysis process using an induction methodology recommended by Patton (2015). I carefully examined the data from each collection method.

Interview Data Analysis

Immediately after each interview, I transcribed the data using a transcription software. Coding and category construction were performed based on characteristics of the data to uncover themes pertinent to the phenomenon. First, I hand-coded the interviews, the content of documents retrieved, and the two researcher-developed structured protocols. The emerging themes became the categories for analysis and received a set of codes. This process helped to improve research clarity. Table 6 displays how the themes and codes were organized. I identified the frequency of references and patterns as well as meaningful, relevant passages of text and other pertinent information found within the interview data collected and document review conducted. A 77-page

report was then generated from NVivo 11 to further assist with analyzing the interview data. Predefined codes were used prior to the thematic analysis because supplementary data and other research methods were employed in the study such as the document analysis. Examples included but were not limited to the following codes:

- Allocation of funds.
- Organizational capacity
- Common and shared practices as tools used to promote nonprofit sustainability.
- Nonprofit leadership decisions.
- Performance measures.
- Data collection
- Compliance.
- Organizational performance and growth.

As the interview data were added into the NVivo 11 software, the data were categorized into themes that delivered several different codes used in the data analysis. The thematic and coding structure was designed to answer the research question (see Table 6). The major common themes identified in the data using NVivo11 included the following coding classifications for analysis: (a) NPO adoption and use of performance measures, (b) data collection and evaluation for external compliance, (c) information pertaining to financial, operational, and administrative decision making, (d) NPO leadership decisions regarding internal constructs, operations, and management, (e) resource dependency, and (f) sustainability practices.

Following the analysis of the aforementioned major themes, further comparison and reflective analysis established one subtheme identified from the original thematic analysis to explain the phenomena appearing in the interview data: internal organizational activities that contribute and develop organizational performance, growth, and the ability to sustain.

The subtheme was carefully analyzed and compared for each of the interview questions presented. Each interview response was also carefully analyzed and compared to each theme. The emerging themes that were identified from each interview question response were categorized by participant response by the frequency of responses to themes.

How the research question, themes, subthemes, and theoretical framework aligned is shown in Figure 2. Additional alignment was discovered as the thematic elements emerged aligning the research question, interview questions, and the resource dependency theoretical framework, first described by Pfeffer and Salancik (1978/2003) and illustrated in Table 7.

Table 6

Coding of Themes

Research Question	Themes	Codes
How and to what extent do nonprofit leaders use performance measures and data to improve organizational sustainability?	Adoption and use of performance measures	Performance measures, Orientation, Meeting requirements, Quality assessment or control
	Data collection and evaluation for external compliance	Lack of data collection, Assessments, Database
	Information pertaining to financial, operational, and administrative decision making	Administrative decision making, Operational decisions, Financial decisions
	NPO leadership decisions regarding internal constructs, operations, and management	Good governance, Efficiency and proactiveness, Financial health, Accountability, Lack of records
	Resource dependency	Internal funding, External funding
	Sustainability practice	Innovation of strategies, NPO collaboration, Strategic planning, Diversification of funds, Lack of fund diversification

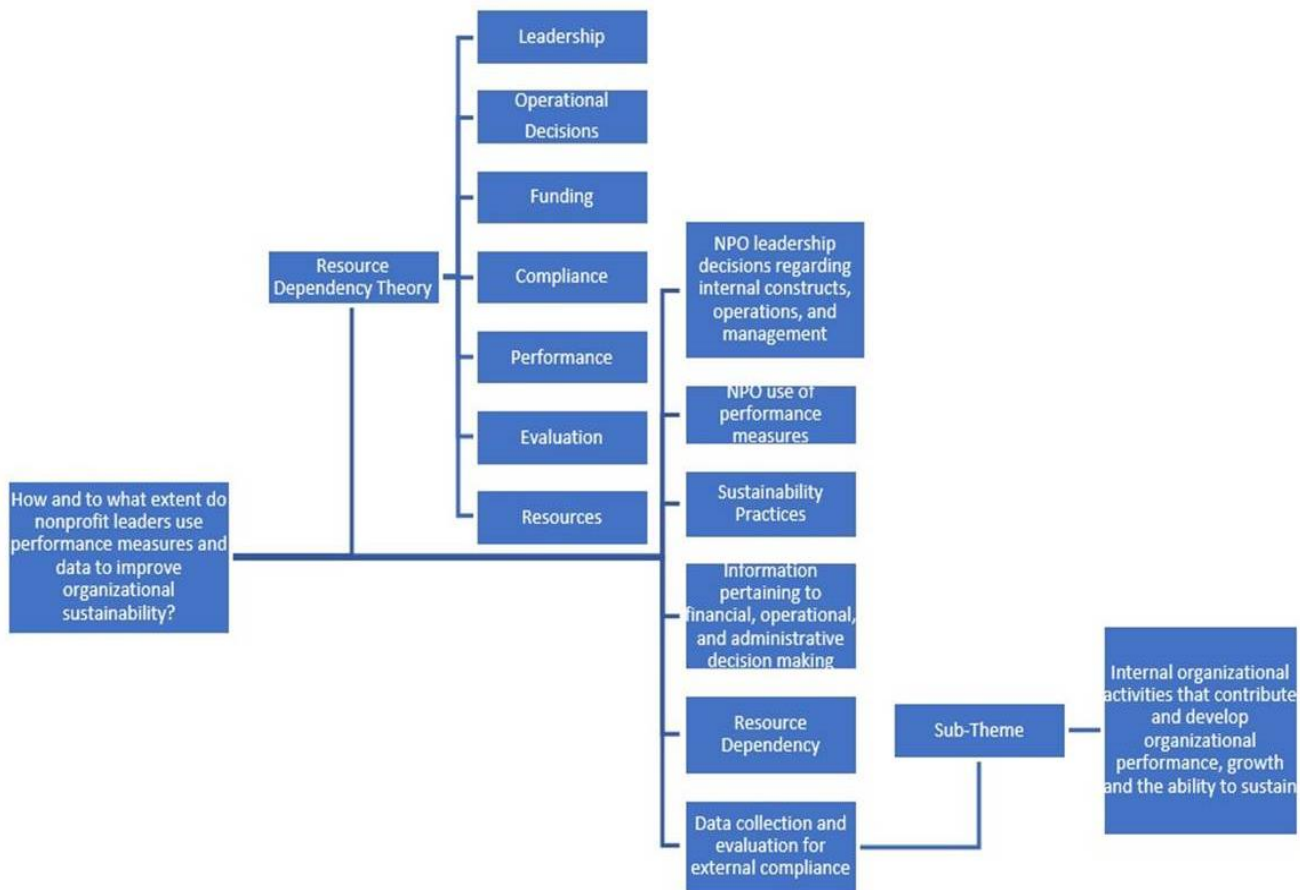


Figure 2. Correlation among overarching thematic elements and subtheme.

Accordingly, Table 7 displays how these noteworthy thematic elements were organized based on the research question, which guided the theoretical foundation of this study. The interview questions produced interviewee responses that were coded into each preliminary theme used to analyze the ultimate impact of internal organizational activities that contribute and develop organizational performance, growth, and the ability to sustain. Components of the theoretical framework were cultivated to examine the influence of performance measures and NPO sustainability as experienced by the executive team as it relates to leadership, operational decisions, funding, compliance, performance, evaluation, and resources. The interview themes included NPO leadership decisions regarding internal constructs, operations, and management, NPO use of performance measures, and data collection and evaluation for external compliance. Then, a comparative analysis was completed to corroborate the interview data with data collected from the document review to increase the level of research clarity.

The data from the thematic analysis and document review was identified to best separate pertinent data from information that is not pertinent, as suggested by Corbin and Strauss (2008).

Table 7

Alignment of Research Question, Interview Themes, Interview Questions, and Theory

Research question	Interview themes	Interview questions	Resource dependency theory
How and to what extent do nonprofit leaders use performance measures and data to improve organizational sustainability?	NPO leadership decisions regarding internal constructs, operations, and management.	How are performance measures and data collected in your organization?	Leadership
	NPO use of performance measures.	Describe internal operational decisions that have been made as a result of the use of performance measures and data.	Operational decisions
	Sustainability practices	Describe the external funding you receive that requires performance measures to be reported.	Funding
	Data collection and evaluation for external compliance.	What main funder-required performance measures and data are collected in your organization?	Compliance
	Resource dependency	How is performance measures and data currently and/or historically used internally?	Performance
	Information pertaining to financial, operational, and administrative decision making.	Do you regularly have the resources to cover your budget? Why or why not?	Evaluation
			Resources

Document Review Analysis

I examined the financial information provided by the NPO Form 990 tax forms as well as funder-required performance measures, funders and leadership decisions documented using the NPO annual performance reports, and NPO board meeting minutes. I assessed all data collected for contradictory information that negated or undermined a developing category, theme, or pattern (Ritchie & Spencer, 2002). As such, all responses were included in the analysis, even discrepant cases. In an attempt to recognize discrepant cases, multiple data collection methods were used, such as interviews and document reviews. No instances of discrepant cases were experienced.

Nonprofit organizations' Form 990 tax filings. I used a document review protocol to analyze the data in the NPO 990 tax form. The NPO 990 tax information collected and recorded consisted of tracking by year, each NPOs main funding sources (government vs. nongovernment contracts), funding amount/revenue, expenses, and programs offered. Each category and the financial data associated with it were then entered into NVivo 11 for comparative analysis of financial progress or digression between 2011–2015.

Nonprofit organizations' annual performance reports. A performance report protocol was used to collect and manually analyze line by line two common themes found in each report. The themes consisted of (a) available funder-required performance measures mandated for each NPO, and (b) all funders associated with financially supporting programs offered in each organization between 2011–2015.

Nonprofit organizations' board meeting minutes. I used NVivo software to highlight common themes found in the NPO board meeting minutes. The analysis of the narrative

component of NPOs board meeting minutes provided insight into an NPO's organizational performance and types of leadership decisions made in the organization as it relates to sustainability. The process of induction recommended by Patton (2015) included classifying the emerging themes, uncovering the significance of each participant's experiences and completing a synthesis the results into significant and relevant information for analysis. The initial data analysis of the board meeting minutes correlated discussion around six common themes: (a) sustainability, (b) performance measures, (c) outcomes, (d) administrative, (e) operational, and (f) financial decisions within the organization. Using two separate documents of board meeting minutes from 2013 in one organization and using one single board meeting minutes document from 2014 in one organization, I compared and analyzed the data to show how an organization had fared over the last half-decade of operational decisions making by leadership, but the information obtained did not yield a complete interpretation of the data.

The document analysis of NPO Form 990 tax forms, NPO annual performance reports, and NPO board meeting minutes was conducted as a supplementary data source to highlight and put forth further evidence collected in conjunction with interview data provided by NPO leadership to shed light on the issue being investigated in this study. Information obtained from these sources provided NPO performance data, internal operational decisions, and assets and expenses reported to the IRS, as well as information regarding funding received and allocated between a 3- to 5-year period in most cases. The sustainability of NPOs is a balance between financial support and funding allocation information offered by the financial data gathered using the NPO Form 990 tax filings. The funders that provide the support as a result of the compliance and accountability related to performance measures was empirically produced by the annual

performance reports produced by each agency. The board meeting minutes, although limited in its reception, illustrated leadership decisions, organizational outcomes, and processes, as well as NPO sustainability. The results yielded a theoretical richness in the research based on an inductive approach.

Evidence of Trustworthiness

Credibility

I established internal validity and credibility by implementing multiple sources of data collection methods (Creswell, 2013; Korzilius, 2010; Lincoln & Guba, 1985). I asked open-ended, semistructured interview questions and conducted document reviews of NPO annual reports, Form 990 tax filings, and board meeting minutes from 2011–2015. Accordingly, in cases where two interviews were completed at the same organization, I noted that no new information was elicited from respondents based on the interview questions and no further information gained would have yielded growing returns only substantial redundancies would occur.

Also, I piloted the interview questions to ensure content validity. Each interview was audio-recorded for transcription accuracy and transcribed by me immediately following each session. Each transcribed interview was provided to the interviewee as part of the accuracy verification procedure. Hand-coding and NVivo11 were implemented to sort and code interview data collected. I also used a document review protocol to review data collected from the document review process.

I noted in Chapter 1 my previous experience work in the nonprofit field as well as prior to the commencement of each interview. The informed consent document provided the purpose of the study. Any personal biases or characteristics that included race, gender, age, and

professional status were discussed with each participant (Mays & Pope, 2000). I attempted to limit my own past perspective during data analysis. I concentrated on the research question, major themes, and patterns identified to ensure that the data analysis was valid and the findings were credible.

Transferability

To enhance external validity, I implemented two strategies. First, to improve the ability of the audience to interpret the study adequately, I provided a rich context of information of the variation of participants of the study and the selection process described by Maxwell (2013). Also, I showed the specific methods for collecting and analyzing the data. External validity is established to the extent in which generalizations from the research pursuant to a participant, setting, and sample size can be made (Morse, 1999). To further improve transferability, the second strategy was establishing transferability so that other researchers can replicate this study with different individuals and in a different environment (Lincoln & Guba, 1985).

Dependability

To enhance dependability in this study, multiple data collection strategies were implemented (Schwandt, Lincoln, & Guba, 2007). Implementing two different data collection methods to supplement and corroborate the evidence I collected was through interview data and document reviews.

Confirmability

To establish confirmability, I kept an audit trail of all documentation to allow others to verify descriptions. This included full documentation of all interviews, researcher notes/memos, coding notes, document review protocol, and participant clarification notes to ensure the

accuracy of responses (Lincoln & Guba, 1985). Besides, I corroborated interview data and documentation to decrease the questionability of the findings, and I implemented a weekly journaling and reflectivity regiment during the data collection process improve objectivity and consistency as suggested by Patton (2015).

Results

One research question guided this study: How and to what extent do nonprofit organization leaders use funder-required performance measures and data to improve organizational sustainability? Six interview questions and a document analysis guided the data collected to elicit responses from 14 NPO leadership to identify constructs used by the participants to improve organizational sustainability.

Within the interview data collected from each NPO leader emerged six overarching themes recognized through the process of induction and the data analysis detected by NVivo11 (see Figure 3). Six themes resulted from my analysis: (a) NPO adoption and use of performance measures, (b) data collection and evaluation for external compliance, (c) information pertaining to financial, operational, and administrative decision making, (d) NPO leadership decisions regarding internal constructs, operations, and management, (e) resource dependency, and (f) sustainability practices. These significant thematic elements were then used to answer the research question.

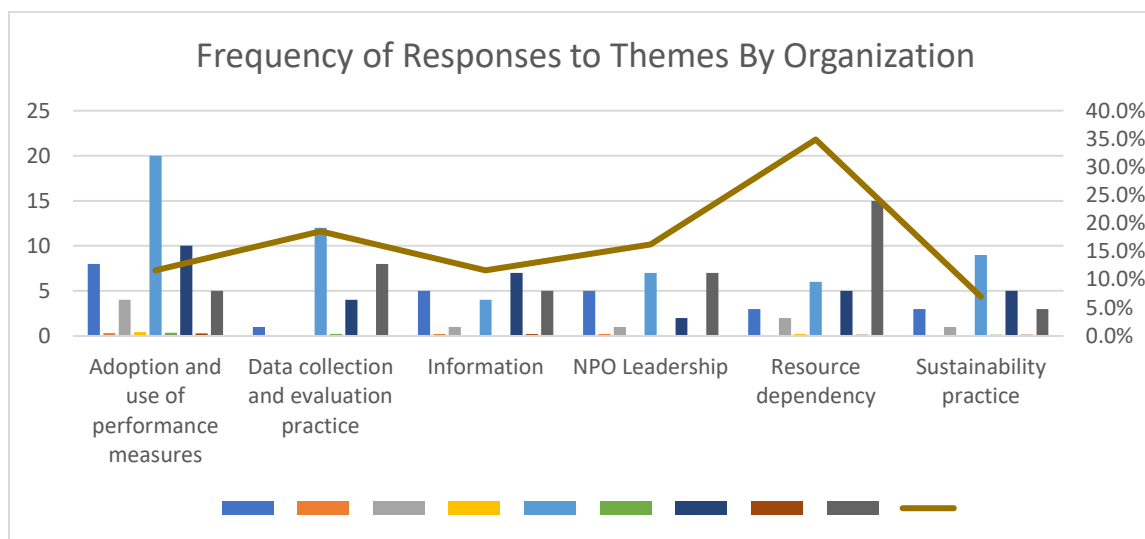


Figure 3. The frequency of responses to each theme by organization is illustrated by the color bars. The order of frequency is represented by the brown line ascending and descending across the chart.

NPO Adoption and Use of Performance Measures

The first theme, *NPO adoption and use of performance measures*, reflects the importance of implementing performance measures for evaluating program performance to ensure grant compliance, impact, the success of service delivery, and improved progress among service recipients. Participants in the study responded to interview questions that were designed to elicit responses regarding the organization's adoption of performance measures. Each NPO illustrated consistencies in the themes of the adoption of performance measures and the way they are collected. A number of respondents mentioned having a performance measurement tool such as using Excel or a software system having used assessments and pre- and posttests to evaluate collected data.

During the interview process, when NPO leaders were asked to describe their funding, one described the need for external funding but not necessarily required to report outcomes to

receive that funding. The reporting for his organization had been for accountability and compliance. However, most NPO leaders reported that donors, foundations, government grants, and the like require some level of performance reporting. The extent to which the reporting is required and how much of it is mandatory depends upon the funding source. A common trend among most NPOs is that a large percentage of federal funding is allocated and relied upon from the agency.

Data Collection and Evaluation Practice

The second overarching thematic element, *data collection and evaluation practice*, is an important element for examining nonprofit sustainability. NPOs are likely to produce, provide, and improve performance measures as a requirement for financial support and evaluation obligations. With that, participants reported that many of their contracts are federal and state contracts. The Form 990-tax filing document review protocol and results produced by NVivo also corroborate the interview responses regarding the type of contracts received. The required performance data may change from contract to contract and grant to grant each year. The consistent response throughout the interviews illustrated that the main data collected are demographics and census data. The results indicated that, of the 10 NPOs researched, there is a higher rate of performance measures reported in their responses regardless if they are funder-required or not and are mainly for compliance purposes. The results also indicate that organizations founded within the last 20 years have a lower rate of adoption of performance measures. The common data collected in all 10 NPOs include demographic information. Funders tend to require demographic data to use in making their funding decisions.

The results of the internal operational decisions that have been made as a result of the use of performance measures and data demonstrated there are some barriers and hardships towards having the resources for people to retrieve the data, difficulty verifying data accuracy and then report out that information. Common challenges included poor decisions being made due to data integrity. Leadership in each NPO mentioned the disadvantage of not having accurate data to depend upon. The inaccuracies usually are in the form of out of date information that is not delivered in real time and can negatively impact present situations and current organizational decisions and internal operations. Each NPO leader noted ways in which they have used data to inform internal operations. For example, each NPO leader reported the following operational decisions made as a result of performance measures and data:

- Implementation of new programs.
- Prioritization of current program improvements.
- Addressing and implementing training needs.
- Prioritizing proposal and grant submissions.
- Implementation of new assessment tools.
- Increasing enrollment.
- Staff development.
- Organizational expansion.

Many of the participants recalled using the data gathered from funder-required performance measures as a means to determine whether they go after that particular funding citing mission drift and difficulty in keeping up with changing reporting requirements or the lack of internal organizational capacity. In other words, most of the agencies cannot allocate

resources related to identifying performance measures, investing in the implementation and design of a performance management system, and depending upon staff to track, monitor, and report outcomes that satisfy various funders.

Information Pertaining to Financial, Operational, and Administrative Decision Making

The third thematic element, *information pertaining to financial, operational, and administrative decision making*, reflects the importance of NPO leaders' responsibility for the financial, operational, and administrative decision making within their organizations respectively. One of the most difficult tasks in NPO financial management is identifying and obtaining funds to operate. Nonprofit leaders manage the organization's finances by creating an annual budget, which allows an assessment of funding needs. Each interviewed NPO leader identified the need to plan strategically with the use of data as means to remain sustainable. The results indicated there were operational decisions such as hiring key staff, planning for a capital campaign, developing outcome-based performance measures not previously tracked, identifying grants to pursue or not are just a few. In addition, financial, operational, and administrative decisions made from data and performance measurement information was also gathered for internal use. Identifying the funding needs of the organization influences the growth trajectory of the agency and helps to give visibility to potential sources of income or support. NPO leaders demonstrated the understanding, completing, and pursuing different funding sources for the purpose of sustainability. All mentioned the difficulty in obtaining and retaining consistent funding from government funding through contracts and federal grants, in-kind support from corporations, general or specific project support from foundations, and individual donor contribution.

NPO Leadership Decisions Regarding Internal Constructs, Operations, and Management

The fourth thematic element, *NPO leadership decisions regarding internal constructs, operations, and management*, is highly associated with the CEO, executive director, CFO, and board of director's obligation of making decisions that will help improve the organization's ability to sustain. Although NPO leaders in a single organization have different views on how that data can be used and measured, NPO leadership decisions bring together financial competencies and how data is used regarding internal constructs, operations, and management pertaining to financial, operational, and administrative decision making and sustainability. Interview responses show NPO leadership determining strategic priorities such as defining performance metrics for current and future contracts. Board meeting minutes also revealed two organizations strategically planning capital campaigns and board development. According to the results based on the themes, there has been an increase in NPO leadership decision making that gives rise and attention to creating strong internal constructs in the organizations. Leadership in each organization between \$1 million and \$20 million had made strategic and tactical management decisions that impact the organization's overall performance as well as the long-term strategic planning and sustainability of the organization.

The majority of NPOs' spending across their annual budgets is dedicated to personnel expenses such as wages, benefits, and staff training. Through the interview process, results indicate that the decision to adopt and use data to inform how programs are performing has helped determine strategic planning processes, hiring and training strategies and board meeting topics of discussion when addressing the future sustainability of the organization including

internal organizational activities that contribute and develop organizational performance, growth, and the ability to sustain.

Resource Dependency and Sustainability Practices

The fifth and sixth thematic elements, *resource dependency* and *sustainability practices*, illustrate the significance of resources, cost consciousness, and financially efficient practices in nonprofit management to help NPOs improve their performance, operations, and processes for sustainability. In the 1990s, there was a drastic increase of an NPOs reliance on external resources (Liket et al., 2014; Lynch-Cerullo & Cooney, 2011; Salmon, 1993). Results indicated there was a higher frequency of resource dependency among NPOs represented in this case study. A review of the Form 990 tax document for all 10 NPOs indicates high expenses and inconsistent revenue streams. Each NPO leader was asked whether he or she regularly had the resources to cover their budget. Nine participants responded yes but said it was a strategic and cumbersome activity to keep up. Four responded that they do not always have the necessary resources, and one NPO leader revealed he lacked the resources needed each year. The frequency of responses regarding sustainability practices of organizations shows that larger organizations responded positively to finding ways to remain sustainable.

Summary

The case study research included 10 NPOs across the State of Massachusetts. Interview data were collected from 14 participants using open-ended interview questions. I conducted a document review using NPO Form 990 tax form data, NPO annual performance reports, and NPO board meeting minutes. Interview data were then analyzed to identify overarching thematic

elements and subthemes. I analyzed the documents as supplementary research data to corroborate the interview data collected.

The study results provide an answer to the research question by revealing specific thematic elements that describe how and to what extent nonprofit organization leaders use funder-required performance measures and data to improve organizational sustainability. Six themes pertinent to nonprofit sustainability were uncovered. The first theme was NPO adoption and use of performance measures. The results indicated that NPOs do engage in the adoption and use of funder-required performance measures where applicable and further develop measurements to track performance outside of the accountability and compliance expectations of funders. This is completed to further assess the success of programs as well as funding allocation requirements. The second theme indicated and corroborated the first theme, suggesting performance measures are most commonly tracked for data collection and evaluation primarily for external compliance. The extent to which the third theme identified in the data collected, demonstrates how funder-required performance measures and information pertaining to financial, operational, and administrative decision making is the prime responsibility of leadership. Internal and external activities such as grant seeking ultimately affect the mission of the organization resulting in mission drift mentioned by each NPO leader when searching for financial relief. The fourth theme suggested NPO leadership decisions regarding internal constructs, operations, and management affects strategic planning (i.e., decisions for organizational sustainability including discussions regarding capital campaign planning, establishing lines of credit, reducing cash requirements) and increases revenue streams with the diversification of funding. The fifth theme addressed the resource dependency suffered by each

organization. The average number of NPOs financial contributions and grant receipts illustrate NPOs funding has increased over time without other significant financial support, indicating a resource dependency on external funding. The sixth thematic element addressed the results of each organization's sustainability practices. Administrative costs have steadily increased. My review of IRS documents showed operational and organizational expenses, assets, and funding the financial resource dependence upon donors and other funding institutions. Leadership in each agency specified that external funding and financial capacity is an issue for organizational sustainability; however, leaders from four of the 10 organizations said they did not regularly have the financial resources to cover their budget.

The thematic elements outlined in this study encompass different propositions. The adoption and use of performance measures by NPO leaders is an important conception. The leadership of these NPOs has used metrics for purposes such as compliance, evaluation, organizational decision making, program effectiveness, and sustainability practices. The thematic element that describes data collection and evaluation for external compliance involves NPO leaders' methods for responding to funder requirements to receive financial support. The theme that emerged regarding information pertaining to financial, operational, and administrative decision making characterizes how data can be expended to inform internal operational and administrative practices. NPO leadership decisions regarding internal constructs, operations, and management epitomize nonprofit organizational short-term and long-term strategic management and general direction. The resource dependency and sustainability practices thematic elements that materialized in the data analysis demonstrates the precarious state and challenges NPOs face coupled with the strategies employed by nonprofit leaders to remain sustainable. One subtheme

was identified from the original thematic analysis. It included the internal organizational activities that contribute and develop organizational performance, growth, and the ability to sustain. This subtheme illustrates the various approaches applied by NPO leaders and their commitment to the strategic planning process to improve operational efficiency, staff development, program success, and diversification of funding opportunities. These thematic elements link closely to the theoretical foundation of resource dependency theory.

Chapter 5 includes an interpretation of key findings, a discussion of the limitations of the study, recommendations for future research, and a conclusion.

Chapter 5: Discussion, Conclusions, and Recommendations

Introduction

The purpose of this study was to understand how NPOs can benefit from using funder required performance data as a means to improve organizational sustainability. This qualitative case study was necessary to examine the nature of nonprofit management, resource dependency, organizational capacity, financial management, and data collection used by NPO leaders as a matter of sustainability. Using a qualitative methodology to address this gap in the literature was the best approach to granting the flexibility needed to develop an in-depth understanding of the case through a variance of data collection methods. I conducted interviews and reviewed documents to explore how and to what extent NPO leaders use funder-required performance measures and data internally to improve sustainability, enhance organizational capacity, and develop solid financial administration. The interview questions included six open-ended questions to obtain in-depth responses. The responses were analyzed through transcription, inductive processing, coding, and categorizing the data using both NVivo 11 software and manual methods to draw out patterns and themes.

I studied the practices of high-level staff regarding their lived experiences with nonprofit administration, management, and performance measures. Representing 10 purposefully selected NPOs in Massachusetts, the 14 participating leaders were CEOs, a CFO, COOs, a director of development, and data personnel. Key findings indicate six overarching themes associated with NPO sustainability and funder-required performance measures: (a) NPO adoption and use of performance measures; (b) data collection and evaluation for external compliance; (c) information pertaining to financial, operational, and administrative decision making; (d) NPO

leadership decisions regarding internal constructs, operations, and management; (e) resource dependency; and (f) sustainability practices.

Each of these elements helps to explain executive leadership administrative practices and perceptions regarding the sustainability of their respective nonprofit agency based upon the interview data collected and document reviews conducted. Consistent with the resource dependency theoretical framework of this research and literature, the findings revealed that resource dependency directly influences an organizations capacity to gain and maintain financial resources to sustain the overall financial health of a nonprofit organization.

Interpretation of the Findings

In Chapter 2, the literature revealed that leaders of NPOs are just beginning to understand the evolution of such nonprofit performance measures as accountability, impact, funding, and sustainability (LeRoux & Wright, 2010). My analysis indicated that, although they track performance for accountability and funding, most of the organizations have managed to marginally sustain themselves. The NPOs are highly dependent on government funding or contracts for long-term financial sustainability. Accordingly, several strategies of sustainability were identified by scholars and have been implemented over the past 50 years, such as diversification of funding suggested by Carroll and Slater (2008), operating like a for-profit business (Chenhall et al., 2016) and collaborating with other organizations (Austin & Seitanidi, 2012). Researchers' state that the implementation of more businesslike practices has led to mission drift and loss of autonomy (Benjamin, 2012a; MacIndoe & Barman, 2012), which many of these NPO leaders discussed. The NPO leaders in this study sought certain funding outside the scope of their vision and mission, as described by Benjamin (2012a) and MacIndoe and Barman

(2012). The underlying issue is that scarce governmental support and dwindling funding has caused NPOs' survival to become uncertain (Benjamin, 2012a; Campbell & Lambright, 2014; Carnochan et al., 2013; Smith, 2010).

An abundance of literature suggests administrative coordination and other remedies have been explored but not to the extent to which organizations use government- and funder-driven requirements as a basis to inform internal practices (Atouba, 2016; Sanzo et al., 2014). Nonprofits have struggled to implement key strategies (Liket, Rey-Garcia, & Maas, 2014). Leaders seeking to maintain their organizations struggle to find resources needed to identify performance measures, invest in the implementation and design of a performance management system, and allocate staff time to track, monitor, and report outcomes that satisfy various funders (Elkin, 1985; Smith & Lipsky, 1993; Young & Steinberg, 1995). These findings were apparent in the case of this study. The NPO leaders expressed either the need for a performance management system or that they had one but struggled to obtain real-time, accurate data and train staff to report outcomes. Forti and Yazbak (2012) described how selecting a data management tool and deciding which data to collect, what methods are best, how often to collect the information, and how best to use the data is challenging for NPOs. Coupled with the notion that NPOs lack the budget needed to implement a performance management software system to fully realize the intelligence gained from such a tool is consistent with NPO leadership discussions in this study.

The findings also indicated that members from all 10 organizations had some funder-required performance measures that informed various organizational decisions that impact programs and the sustainability of those particular programs. However, over the course of this study, I found that no organization can correlate organizational sustainability to a small number

of funder-required performance measures collected for funding received to support certain programs. Nonetheless, the findings suggest a more direct approach to using data and performance measures to improve sustainability are needed for nonprofits to maintain their organization in the long term. Subsequently, an overreliance on government revenue can jeopardize an agency's ability to keep its doors open.

Much of the nonprofit literature has concluded that an unpredictable political climate, the reliance on unreliable government funding, donor agencies, and philanthropic foundation resources is detrimental to nonprofit survival without other financial strategies in place. The financial support from these institutions is a needed resource for NPOs to remain sustainable and that resource dependency comes with a cost, including mission drift, loss of autonomy, increased bureaucracy or closure (Chenhall, Hall, & Smith, 2016; Knutsen, 2012; Preston, 2010; Sosin, 2011).

The themes identified provided an answer to the research question regarding how and to what extent NPO leaders are using funder-required performance measures in a climate that experiences constant change in funding distributions and allocation. The literature is supported by the findings of this research outlined in the themes that emerged from the data collection and analysis process. Because all the participants in each organization that contributed to this study indicated that performance measures had been used to improve systems programmatically, the thematic elements are contributing factors for the use of data in the sustainability conversation.

NPO Adoption and Use of Performance Measures

Each of the participating NPO leaders confirmed an understanding for the need to adopt and use performance measures to gain visibility of program success, access funding, and increase

accountability. The NPOs between \$6 million and \$10 million in annual revenue were more likely to have adopted performance measures at a higher rate than those with less revenue. Leroux and Wright (2010) found that data-driven decision-making increased performance and the effectiveness of management decisions in NPOs but failed to explain how NPOs can use the data to improve overall organizational sustainability internally. The NPO leaders who participated in this study said they have used the data collected for performance management helped to inform decisions pertaining to programmatic changes and adjustments.

Each agency used data collection to demonstrate they had adopted and used performance measures. Yet, they suffered budgetary limitations that did not allow for NPO leaders to obtain evaluators, performance management tools, or access consultants well versed in data analysis and interpretation, as described by Forti and Yazbak (2012). All 10 organizations had an available tool for adopting and using performance measurement data in some capacity to help structurally improve programs and some operational decisions such as staff development, client enrollment, program closure, and seeking new programmatic opportunities. One organization reported that the data collection is limited because of an absence of a data collection tool that analyzes data more deeply.

One organization reported hiring an outside evaluator paid for by a donor who guided a major operational change: creating a vision statement that reflected the organization's services more clearly. The organization could then better design programs that fit the funding allocated and not suffer from mission drift, as described in Chapter 2. Froelich (1999) described mission drift as a resource dependency issue that forces NPO leaders to go after funds for sustainability

even if the funding received for programmatic use deviated from the initial and intended purpose of the organization.

Data Collection and Evaluation for External Compliance

Each NPO leader I interviewed expressed an awareness of and paradigm shift in the evaluation, accountability, and funding strategies among expectations of funders and providers experienced over the past several years. All organizations stipulated that most of the data collected whether funder-required or not are mainly for compliance purposes. Yet, Smith (2010) indicated that many NPOs lack the needed resources to satisfy this regulatory requirement and underuse performance data for internal purposes. Demographic and census data are the most consistently collected data and are used for counting outputs in most organizations rather than evaluating performance. Most of these NPOs leaders said funders require NPOs to report the number of people served in a program but not necessarily the impact of those services provided. Although the NPOs collect these data and report them externally to obtain and maintain financial support, those data are used primarily to satisfy funder requirements rather than to inform all financial, operational, and administrative decision making as a strategy for sustainability. Rather, the data are used to improve program service delivery.

Information pertaining to Financial, Operational, and Administrative Decision Making

Another finding of this research illustrated the usefulness and practicality of performance measures collected and used by NPO leaders as they seek to make strategic decisions organization-wide for financial sustainability and visibility. Information pertaining to financial, operational, and administrative decision-making stems from the having access to metrics to help inform organizational direction (Powell & Ray, 2015). Leroux and Wright (2010) discussed how

performance data can offer NPO leaders real awareness of strengths and weaknesses an organization faces and as a result provide incalculable information that will guide strategic decisions. Each organizational leader interviewed discussed having an understanding regarding the importance and challenge of maintaining organizational direction long term. The overreliance upon government contracts, foundation grants, and other financial support has impacted NPO leaders' organizational survivability. The top executive team is usually responsible for the overall performance and long-range strategic plans that continually respond and adjust to social, economic, and political environments (Amagoh, 2015). Participating NPOs reported to make strategic financial decisions to try and go after private philanthropy when government grants were questionable. These findings suggested many operational, financial, and administrative decisions. These decisions consist of hiring key staff, capital campaign planning, fundraising, developing outcome-based performance measures not previously tracked, and identifying which grants to pursue. Many NPO leader's decisions are made from data, and performance measurement information gathered for external use but have benefited internal decisions and sustainability practices.

NPO Leadership Decisions Regarding Internal Constructs, Operations, and Management

Through the interview process, results indicated that deciding to adopt and use data to inform how programs are performing has helped determine strategic planning processes and the proper budgeting of administrative and operating expenses. As discussed by Kearns et al. (2012) and Purdy and Lawless (2011), the governance of NPOs derives from the CEO, executive director (ED), president, CFO, COO, and board of directors. In some smaller grassroots NPOs, the CEO assumes the responsibility alone (Ugboro, et al., 2011). Four of the 10 NPOs that

participated are under \$4 million in annual revenue as of 2016 and have only one executive-level staff overseeing the organization. This dynamic had no bearing on the management of nonprofit expenditures, such as employee salaries and benefits and operating expenses as related to utilities, equipment, rent, and insurance. Additionally, making decisions regarding adequately training existing employees and hiring and training new staff, as discussed by Martin (2001), is done with the performance data collected. With that, the boards of directors obtain the information needed regarding internal operations and management when addressing meeting topics regarding the future sustainability of the organization.

Resource Dependency and Sustainability Practices

Evidence in this study supported the notion of NPO resource dependency, first described by Pfeffer and Salancik (1978/2003). According to the resource dependency theory, the critical aspect of organizational sustainability is the ability to gain, retain, and preserve key resources (Froelich, 1999; Pfeffer & Salancik, 1978). The findings support and strengthen the existing studies and contribute to expanding, deepening, and supplementing the discussions related to the resource dependence theory.

Resource dependency—where funding comes from—has an explicit relation to financial management and sustainability practices. When conducting face-to-face interviews with the leadership of each organization, I discovered that smaller organizations and organizations that lacked a diversified revenue stream were heavily dependent on restricted government funds to operate. Thus, the lack of available resources coupled with diminishing funding opportunities has forced NPOs to pursue other avenues of income generation to remain sustainable. However, what was missing from the alternative strategies and from the literature that has generated a gap

in research is the use of funder-required performance to support NPOs' ability to inform internal operations as a means to sustain (Atouba, 2016; Sanzo et al., 2014). Organizational capacity has been a challenge for NPOs seeking to find more resources for support (Liket et al., 2014; Lynch-Cerullo & Cooney, 2011). The literature revealed the challenge is the more resource dependent an agency, the less organizational capacity exists internally to manage (Minzner et al., 2013). The findings of this study support that claim. In interviews, organization leaders said they sought to expand, facilitate more programming, and try to find more resources for their service recipients, but they face the challenge of not obtaining or retaining the funding, resources, and staffing needed to reach that goal when the biggest hurdle is merely keeping the doors open.

Regarding sustainability practices, fundraising was the most common strategy the organizations used outside of seeking government funding and grants. The collective experience among leadership revealed was that foundations are getting more difficult to penetrate because they want to see more formalized programs with more impact-related measurements that measure progress.

NPO leaders said during the interviews they understood the financial challenges they face during uncertain political and economic times. As demonstrated in Chapter 4, the consistent response throughout the interviews illustrated that the main data collected are demographics and enrollment data also characterized by census data. The leaders expressed concerns that enrollment drops lead to financial challenges. One NPO leader mentioned that about 10 years ago 60% of his organization's revenue came from government grants; now government grants were 42% of funding, and they were still adding on more private philanthropy. These financial challenges were also illustrated in the NPO 990 tax reports filed by each nonprofit agency

required by the IRS. When reviewing the NPO 990 tax reports for each organization, I saw in most cases the administrative costs have steadily increased over a 5-year period, and the funding either decreased, stayed the same, or increased slightly but was insufficient to cover the rising operational and organizational expenses against the organizations' assets and funding received. This depicts a clear resource dependency upon donors and other funding institutions and lack of diversification of funding as reported to the IRS.

This study represents an initial look at how nonprofits are financially sustaining their operations in economically uncertain times through the use of funder-required performance measures. The findings include identified challenges in the general use of data collection activities, evaluation and accountability, and performance outcomes. These findings are nothing new based on what the literature revealed. The interesting result is the linkage between the required data collected for funders to the information gathered for purposes of improving nonprofit operational sustainability.

The results provide nonprofit administrators with a new approach to improve nonprofit financial management and organizational capacity. Through performance measures as a practical application to plan strategically, NPO leaders can set current and future goals for the organization. This will allow for pragmatic strategies for innovation that will assist in organizational growth, satisfy funder requirements for data collection and reporting. The results further support past studies that underscored the importance of data collection, performance management, and resource retention for NPOs that depend on external resources to survive. The results echoed the importance of organizational leadership and funding that influences sound nonprofit administration.

Summary of Findings

In summary, the six overarching thematic elements represented each organization's sustainability practices and leadership activities. Leaders' commitment to the strategic planning process to improve operational efficiency, staff development, program success, and diversification of funding opportunities are ways in which NPOs have fought to remain viable. Meanwhile, administrative costs have steadily increased. The results demonstrate a clear picture of how NPOs have adopted and used performance measures, data collection, and evaluation for external compliance over the past 5 years. Also, the findings illustrate how information pertaining to financial, operational, and administrative decision making and how NPOs' leaders' decisions regarding internal constructs, operations, and management have affected the resource dependency and sustainability practices are executed in NPO strategic planning.

The results include the following findings:

- Small organizations of \$10 million or less were more likely to have adopted performance measures at a higher rate than NPOs with smaller revenue.
- All 10 organizations had some funder-required performance measures that have informed various organizational decisions that impact programs and the sustainability of those particular programs.
- No organization can correlate organizational sustainability to a small number of funder-required performance measures collected to support certain programs.
- There is an awareness of a paradigm shift in the evaluation, accountability, and funding strategies and expectations among funders and providers that have been experienced over the past several years.

- All organization stipulated that most of the data collected whether funder-required or not is mainly for compliance purposes.
- Fundraising was the most common strategy utilized outside of seeking government funding and grants.

The six thematic elements that emerged from this study primarily provide NPO leaders, policymakers, and nonprofits' constituents the information needed to develop policies and systems within NPOs that can help lead to successful and sustainable community organizations. The six thematic elements also add a level of detail to confirm knowledge not previously identified in the literature relating to nonprofit management, resource dependency, organizational capacity, financial management, and data collection used by NPO leaders as a matter of sustainability.

Limitations of the Study

The limitations of sample size, trustworthiness, and researcher bias are considerations that need to be addressed. The findings are limited, given the relatively small sample size of this study. Normally, in case study designs, the sample size is small, so that rich data can be gathered to identify trends, patterns, and different points of view relative to an organization, group, or individuals with different roles (Gelo et al., 2008; Marshall, 1996; Stake, 2010; Yin, 2016). The case study was designed to sample 10 NPO across Massachusetts. In all qualitative studies, a sample size of 15 is considered acceptable (Guest, Bunce & Johnson, 2006). However, saturation can be achieved with a small sample size of 10 NPOs and 14 interviewees. Evidence that this study achieved saturation occurred when it was clear that enough information from the

interviews and documents was gathered to replicate this study, no new additional information was needed to continue, and additional coding was not feasible.

To enhance credibility and dependability of the findings in this study, I collected multiple sources of data: interviews, NPO 990 tax-information, and NPO board meeting minutes from each organization. Because of the lack of NPO leadership availability, I interviewed 14 diverse leaders rather than the planned 20 leaders.

The transferability of study outcomes and generalization is potentially limiting because of the sample being reduced to urban areas across Massachusetts that provide multiple support services to individuals, youth, and families in the realm of housing, education, and employment. The results may have limited meaning to larger organizations and may not be fully representative of a sample of nonprofits at risk for closure.

Limitations are evident in qualitative research where the researcher is the instrument, and personal biases of a researcher can influence the data being collected, leading to limitations within a study (Silverman, 2016). As the primary instrument for data collection, I used an interview script with the interview questions set, avoided asking leading questions, exploiting participants, and sharing personal impressions with the interviewees at any stage of the research study to remain unbiased.

To establish confirmability and avoid researcher bias, I kept an audit trail of all documentation to allow others to verify the full documentation of all interviews, researcher notes/memos, coding notes, document review protocols, and participant clarification notes to ensure the accuracy of responses (see Lincoln & Guba, 1985). I also corroborated the interview data and documentation information collected to decrease the questionability of the findings.

Recommendations

Based on the literature reviewed in Chapter 2 and the findings elicited from my analysis, the following recommendations for further research are presented as follows. This study is meaningful because it synthetically illustrates the resource dependency of 10 NPOs in the urban areas across Massachusetts that provide multiple support services to individuals, youth, and families in the realm of housing, education, and employment. Further research should be conducted with other NPO organizations not covered in this study in several other service delivery areas – i.e., mental health and substance recovery designed to meet the social needs of the public. Future study needs to consider other classifications of NPOs in regards to what services an organization provides. As mentioned, this study does not reflect all types of NPOs; however, the mission and services delivered by an NPO will considerably affect an organizations structure, capacity, performance, and relationship with external funders. Also, other NPOs located across the United States would benefit from the replication of this study including international NGOs that rely upon external funding for support.

Future research needs to examine thoughts or attitudes of funders regarding the investment placed in NPOs that experience and suffer from resource dependency. This study was mainly interested in the lived-experiences of executive leadership in nonprofit management and administration because of their direct experience working with data, funders, finances, organizational decisions, and organizational capacity. Further research should investigate an in-depth look into how funders work with social service organizations and identify which NPOs they will support based on the determinants of sustainability and organizational effectiveness.

Last, the case study approach gave me the flexibility needed to develop an in-depth understanding of the research question through a variance of data collection methods. A qualitative case study provides in-depth, research-rich empirical investigatory methods using multiple sources of evidence (Baxter & Jack, 2008; Yin, 2016). Further research should incorporate a more comprehensive and elaborate research design for precisely reflecting the reality that NPO leaders face. A quantitative inquiry was not appropriate for this study alone, however, future study should incorporate a mixed methods approach to investigate how the resource dependency theory is related to funder-required performance mandates and nonprofit sustainability. Adding new variables and a more all-inclusive research design may offer richer findings and provide researchers with a more realistic image of the relationship among resource dependency data collection and NPO sustainability. How funder-required performance measures improve NPO operations can be captured through additional quantitative data collection methods, including survey research to illustrate a deeper impact.

Implications

NPOs provide various services and support in the community. They help create social value for vulnerable populations and groups with critical needs. NPOs depend on funding to operate. In this study, nonprofit sustainability and the requirements for funding that include managing performance through measurements was examined. The implications of this research offer NPO leaders of nonprofit human service organizations methods and ideas that may help to sustain their organization. As mentioned in Chapter 1, I had witnessed the closing of a large NPO, which shaped my desire to research NPO sustainability. Lynch-Cerullo and Cooney (2011)

suggested that the importance of NPO sustainability to strengthen communities and add real social value through demonstrated positive impact has grown tremendously.

Significance to Social Change

To expand the knowledge of how the life of NPOs are manifested and sustained, the original contribution of this study provided an in-depth look into how social service organizations can employ funder required data collection for dual purposes, positive social impact and organizational sustainability. Additional contributions include supporting and advancing a conceptualization of NPO professional practice that promotes the successful management of NPOs. This study covered NPO leadership, decision, making, data and its internal and external benefits. This study elicited challenges often faced in the nonprofit world and has afforded an evidence-formed knowledge base for NPOs to continue to operate. Social service organizations enhance the quality of life within these at-risk populaces which have long-lasting positive impact on marginalized communities, economy, public policy, and social change. The conclusions of this study will give understanding to nonprofit administrators to make necessary modifications to improve nonprofit financial management and organizational capacity through performance measures as a practical application to sustain.

The Gap in the Literature and Significance to Theory

Researchers have offered many strategies to improve nonprofit organizational sustainability, however scholars noted a gap in the literature regarding how and to what extent funder-required performance data can be applied internally to remain sustainable (Prentice, 2016; Lee & Nowell, 2014; MacIndoe & Barman, 2012; Johansen & LeRoux, 2012; LeRoux & Wright, 2010). The findings of this research addressed the gap in knowledge regarding the

improvement of NPO sustainability through the use funder-required performance measures to inform internal nonprofit management.

LeRoux and Wright (2010) addressed the gap in literature found in this area of nonprofit management. Through a national survey, they investigated the connection between performance and planning at the organizational level. The researchers found organizations that relied on performance measures increased the level of effectiveness within the organization. This finding is essential to understanding whether performance measures influence organizational effectiveness to the extent of sustainability. LeRoux and Wright suggested future studies to be embarked upon that can examine whether other types of performance management approaches improve organizational strategic decision making. My research took this concept and addressed the gap in research and further explored how and to what extent data collected and required by funders can be used as informational support to inform overall organizational sustainability.

The theoretical foundation of this study included the Resource dependency theory, first described by Pfeffer and Salancik (1978/2003). This was the most appropriate theory to explain the phenomenon of nonprofit sustainability because the theory indicates that the financial support for programs in the nonprofit world is a critical part of its ability to survive. For more than 30 years, Pfeffer and Salancik's theory has been applied broadly across the research domain and widely accepted in the nonprofit sector to explain how organizations reduce environmental interdependence and uncertainty. This research has contributed to the gap in the literature and the resource dependency theory by addressing the performance measures impact and influence in nonprofit sustainability in a resource-restricted environment. It further depicts ways in which NPOs can find alternative methods to use data they are required to produce to stay funded.

Significance to Practitioners and Policymakers

With regards to the empirical implications of this study, face-to-face interview data was collected from the executive leadership of the participating organizations, NPO 990-tax information and NPO board meeting minutes were analyzed. What was observed and confirmed is that NPOs use funder-required performance measures primarily for compliance and evaluation and used secondarily to inform some operational and financial decisions under organizational sustainability on a limiting basis. The results of this study are in direct alignment with much of the literature. The takeaway for practitioners include options provided by data that can help to ensure their survival during uncertain economic times. First implementing a performance management system to capture the data needed is essential. Second, maintaining a relationship with funders to elicit more unrestricted funds to help cover administrative costs and overhead expenses. Third, practitioners should commit to comprehensive nonprofit management practices. Fourth, additional research should be conducted that includes NPOs excluded in this study and perhaps utilize a quantitative methodology.

Ultimately, this research offers practitioners an understanding of how funder-required performance measures can be fully and strategically utilized based on the concepts of nonprofit management.

NPO Leaders Implement a Performance Measuring Tool

Maintaining a long-term financial viability plan requires NPO leaders to plan for the long term, increase funding, and distribute resources appropriately, which, in turn, demands, proper technological and human resources (Barbero et al., 2011; Choi, 2012). In essence, implementing a performance measurement tool could produce positive long-term impact and a demonstrably

influential impact when organizations seek funds to continue to operate. Despite a rise in the use of performance measures by NPOs, many nonprofits fail to realize the full potential of using performance measures internally as a learning tool, as described by Thompson (2010).

Therefore, I recommend NPOs implement a performance measurement tool to help leaders easily track and report outcomes, performance measures, impact, and demographic and census data, regularly requested by funders. Organizations can then fully realize the intelligence gained from such a tool. The data collection process will not only allow NPOs to more easily and accurately evaluate their strengths and weaknesses of their service delivery but help eliminate waste and reallocate resources to achieve resiliency and long-term sustainability (Bagnoli & Megali, 2009).

NPO Leaders Meet With Funders

A rich body of research exists on organizational performance management and the relationship between funders and providers (Benjamin, 2012b; LeRoux & Wright, 2010; Liket et al., 2014; Smith, 2010). Where NPOs provide performance measures for accountability and evaluation purposes and, in exchange, NPOs receive funding to operate specific programs usually with restricted funds limiting the use of the money. The evidence from this case study suggests providers need to better communicate to funders a clear understanding of nonprofit management in a resource-restricted environment.

NPOs have overhead costs not covered by the allocated funding, leading to the challenge of NPO sustainability. The required performance data primarily used for evaluation purposes can be employed to reduce administrative costs and overhead expenses, freeing up limited resources to be allocated to support successful programs rather than financially supporting departments,

programs, or staff. Performance measures can then be used internally to inform funders not only on program performance but also administrative and operation execution to remain sustainable.

Thus, I recommend providers meet with funders during the relationship to help them fully understand the need for more unrestricted funds. In addition to program performance driven by funder-required performance data, I recommend NPOs use funder-required performance data to inform and improve operational decision-making to minimize the risk of defunding programs, which eventually affects organizational stability.

NPO Leaders Commit to Comprehensive Nonprofit Management Practices

Strategies NPOs use to improve organizational sustainability include strategic planning, collaboration, diversification of funds, and operating like a for-profit business (De Cooman, De Gieter et al., 2009; Maier et al., 2014; Sosin, 2011). Fleury et al. (2011) argued that agencies not well versed in collaboration, diversification of funds, and operating from a for-profit perspective are at risk for financial instability jeopardizing some organizations very existence. The literature and this research showed these acts are important to the success of NPOs.

Thus, I recommend that NPO leaders continue to commit to comprehensive nonprofit management practices that include long-term strategic planning with board inclusion and oversight. In addition, NPO leaders should seek multiple funding streams and alternatives to diversify the dependency on resources. This will ensure continuity of financial resources in a climate that experiences constant change in funding distributions and allocation. I also recommend that smaller or newer NPOs collaborate with larger more established NPOs as a way to gain access to resources that they may not possess (Austin & Seitanidi, 2012; Guo & Ancar, 2005).

Under the policy implications of this study, this research can educate and influence policymakers at the city, state, and federal levels. By identifying the obstacles and challenges common in the nonprofit sector when it comes to funding allocations from the government, other donor agencies, and philanthropic foundations, this study could help raise awareness of legislative and regulatory developments that unintentionally and negatively impact these organizations. Anheier (2014) suggested that internal organizational constraints caused by insufficient organizational capacity and limited external control over resources the organization relies upon for continued support make it difficult for NPOs to fully adhere to government regulations. The findings of this study may provide some groundwork for future modifications in nonprofit accountability and resource attainment. With this study, the groundwork for legislative modifications can be implemented for NPOs that find it difficult to fully adhere to unreasonably strict government or donor guidelines.

Conclusion

This study was designed to explore the impact and effectiveness of nonprofit sustainability and the use of funder-required performance measures to help determine which methods work, to adjust methods that are not effective, and to more easily report quantified successes to key stakeholders while using data to remain sustainable. Performance measures have given funders a clear picture of indicators of which efforts or activities have a positive effect on program goal achievement. Such measures are not always used by NPOs' leadership. When organizations have used these measures, they have been able to make some level of meaningful change to inform and improve operations, financial management, and program success.

For more than 50 years, NPOs have depended upon financial support from the federal government among other funders to remain viable. The ability for NPOs to deliver services often requires performance metrics and data to for accountability and compliance. Accordingly, there has been a paradigm shift in the sustainability of NPOs over the past 30 years in which NPOs reporting requirements have transformed. Currently, NPOs must measure their organizational and programmatic effectiveness as a means to receive funding. In a restricted resource environment and when funding allocations vary based on the unpredictable political climate or competitiveness of available resources, many NPOs struggle to sustain themselves. Although performance data can have many uses, NPOs have challenges using funder-required performance data internally because of limited resources. Regardless of how resources become scarce, NPO leaders must devise multidimensional practices that allow that organization to deliver services to its service recipients efficiently and effectively.

This study was designed with the purpose of finding how and to what extent NPO leaders use funder-required performance measures to improve organizational sustainability. In this case study, NPO leaders used data collected for performance management helped to inform decisions about programmatic changes and adjustments. Nonprofit leaders are making strides in how they use performance tools so to help measure and use data for program improvement and operational decision making in staff development, client enrollment, program closure, and new programmatic opportunities. However, NPO leaders must take additional steps to for their organizations to remain sustainable. The recommendations offered will by no means solve all of the challenges related to sustainability. More research is needed to explore in-depth the implications of using data and funder-required performance measures fully as a viable strategic

method for nonprofit sustainability and strategic planning, collaboration, diversification of funds, and operating as a for-profit business. The findings produced by this study and recommendations can be valuable ways to improve nonprofit management. Key stakeholders and service recipients that rely on the services provided by organizations can experience higher quality service, thus leading to positive social change.

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Appendix A: Recruitment Letter

Greetings,

My name is Helen Sam Coy and I am a PhD student at Walden University. I am conducting a research study about nonprofit organization's use of funder-required performance measures and nonprofit sustainability. I am seeking to better understand how your organization uses funder-required performance measures. I am reaching out to you to ask if you would like to participate in a 30-minute interview for this research project. I will provide you with the six interview questions prior to our scheduled interview. Participation is completely voluntary and your answers will be anonymous. Your answers will not be attributed to you by name. I will allow you to review a transcript of the interview before I incorporate it in my research. Interviews will take place on-site at each institution in a quiet and private setting, preferably the office of the participant.

I will also make a copy of my findings available to you if you are interested.

If you are interested, please email me your response. I will also follow up with a phone call to see if you are interested.

If you have any questions, please do not hesitate to contact me.

Thank you for your time.

Helen S. Coy
PhD Student
Walden University

Appendix B: Interview Script

Interview Script

“Thank you for agreeing to speak with me today.”

“The purpose of this interview is to get your experience on nonprofit sustainability and funder-required performance measures. Specifically, I want to understand what you do to successfully maintain and sustain (and make progress) within your organization. I want to understand what barriers you encounter, and what you know and do to overcome those barriers at the organizational level.”

“I will now review the consent form. The consent form establishes that the subject has (a) been informed about the study; (b) is participating voluntarily; and (c) may exit the study at any time.”

“The interview will last about 30 minutes and I will audio record the interview to make sure that your responses are recorded accurately.”

“Your answers aren’t going to be attributed to you by name, I will allow you to review a transcript of the interview before I incorporate it in my research. I will also make a copy of my findings available to you if you are interested.”

“I am happy to answer any questions you have regarding the study. Do you have any questions for me before we begin?”

“Please read and sign the Consent Form”.

Interview Questions

1. How are performance measures and data collected in your organization?
2. Describe the external funding you receive that requires performance measures to be reported.
3. What main funder-required performance measures and data is collected in your organization?
4. Describe internal operational decisions that have been made as a result of the use of performance measures and data.
5. How is performance measures and data currently and/or historically used in internally?
6. Do you regularly have the resources to cover your budget? Why or why not?

Appendix C: Document Review Protocol-990 Tax Filing (2011–2015)

Organization	Main Funding Sources (2011–2015)	Funding Amount/Revenue (2011–2015)	Expenses (2011–2015)	Programs offered (2011–2015)
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				

Appendix D: Annual Performance Report Protocol: Funder-Required Performance Measures (2011–2015)

Annual Performance Report Protocol: Funder-Required Performance Measures (2011–2015)

Organizational	Funder-Required Performance Measures (2011–2015)	Funder (2011–2015)	Program Success (2011–2015)	Other Performance Measures (2011–2015)
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				