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Sustainability of Non-Profit Organizations: Organizational Development Process Model

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Abstract

Every organization needs to undergo organizational development programmes, which are evaluated in terms of systems, structures, processes, strategies, and technologies, to improve their organizational goals, increase their effectiveness, enhance their quality, and enhance their human resources. Organizations have become interested to using integrated systems to increase their organization. However, the process of integrating and implementing sustainability is complex. Thus, this paper proposed an Organizational Development Process Model that linkages among skills, processes, and practices. These sustainable elements also link to the contribution to sustainable development. This paper reviews previous studies on development programmes in organizations, involving the agenda of sustainability in non-profit organizations.

Keywords: Organizational Development, Organizational Sustainability, Sustainability, Non-profit Organizations, Organizational Development Process Model.

Introduction

Many recent global issues have attracted the attention of non-profit organizations. One of the issues is the sustainability of the organization. Sustainability of non-profit organizations is not a new trend in our society. The notion of sustainability has commonly been regarded as a crucial goal for organizations. These studies have become a highest theme in the literature in the last decade (Ceptureanu et al., 2017; Lee & Nowell, 2015; Valentinov & Vacekova, 2015; Iwu et al., 2015; Helmig et al., 2014; Weerawardena & McDonald, 2010; Haddadi & Khosroshahi, 2015). Various studies have been discussed about the reasons their organizations have better result and understand why they fail (Grunert & Hildebrandt, 2004; Duckles et.al, 2005). It is not easy for non-profit organizations to achieve sustainability. Seeking to carry a mission to care for the society, non-profit organizations face

the problem of the sustainability agenda as they do not aim to make any profit. For them, sustainability is defined as a continuity of community service (Weerawandena et al., 2010).

Letts et al. (1999) stated that non-profit organizations face challenges in maintaining and sustaining their organizations. Many authors agreed that non-profit organizations have faced challenges and obstacles in ensuring the sustainability of their organizations (Frumkin & Andre-Clark, 2000; Gassler, 1998; Jegers, 2003; Kipley et al., 2008). Non-profit organizations face the challenge of sustainability in the long run due to social, economic, and political changes in relation to the differences in their missions, strategies, and goals.

Many organizations face challenges during the transition process in which numerous companies have failed. A transitional process is involved in organizational development programmes (McLean, 2006) which are needed by every organization to enhance organizational goals. These organizational goals help organizations increase their effectiveness, achieve high quality and increase the productivity of human resources.

Organizational Development

An organization is a social unit or group of people appointed in a structure to achieve specific goals (Nadler & Thusman, 1998). Organizations can be categorised into two types, namely profit-based organizations and non-profit organizations (Etzioni, 1964). Three main elements are involved in the operations in an organization, namely physical resources, financial resources, and human resources. However, this paper focuses only on the discussion about sustaining non-profit organizations.

An organization is surrounded by a system in which the individuals receive inputs from and provide outputs to the environment (Nadler & Thusman, 1988). The environment refers to political, economic, technological and social aspects, which are influenced by customers, suppliers, existing options, competitor, and newcomers in the competition (Ghemawat, 2010). Every organization needs to be alert with the change of the environment, which has an impact on organizations. For example, if the environment gives a positive impact on the organization, the organization gains an opportunity to increase its quality.

Organizational development is an effort in planning organizational actions, expanding the organization, managing top management, improving the effectiveness and well-being of the organization through processes of planned actions (Brown, 2010), which involve all levels in the organization, from the upper level to the lowest level. Organizational development is a process that involves the entire economy and the social system of an organization. This process refers to the reality that involves the physical and mental qualities of an individual to obtain better social, economic, and political aspects of life (Blake & Mouton, 1982).

The level of effectiveness in an organization is affected by the action plans being carried out (Benn et al., 2014). An organization increases its level of effectiveness when its management, leadership, plans, strategies, programme designs and evaluation are developed and improved. Besides, the increased level of effectiveness also helps the organization to achieve its mission and vision and brings more positive impacts on the organization (Blake & Mouton, 1982).

The success or failure of an organization depends on the organization's ability to adapt to the environment (Brown, 2010). Change, which aims to increase the effectiveness in a system and develop the potentials of individuals in an organization, may involve a particular part of or the whole

system of an organization. An organization grows effectively and becomes competitive in the market with the development of individuals in the organization. The organizational changes that take place also involve the development of thoughts and attitudes of the individuals in the organization.

Every organization has its own cycle of starting, growing and ending that depends on the adaptation of environmental changes. The organization needs a leader to design, organise, control, evaluate, and steer the organization to achieve its organizational goals (Blake & Mouton, 1982). An organization is seen as more effective when it is able to meet its organizational goals, objectives, and strategies. The achievement of organizational goals determines the organization's duration of sustainability (Ghemawat, 2010).

An organization needs organizational development programmes to improve its effectiveness and efficiency through systems, structures, processes, strategies, and technologies. The development programme requires careful planning because it concerns various processes involving individuals, groups and the whole organization itself (Cumming & Worley, 2005). The organizational development must be planned and managed from top to bottom because it involves the entire system in an organization.

The organizational development programme is related to human resources and behaviour in an organization, which also has an effect on the performance of an organization (Hall & Goodale, 1986). Organizational development occurs when individuals in the organization apply knowledge, practice good behaviour, and adapt to the change in the environment. The change of environment also stimulates and motivates employees to move to a better direction (Cumming & Worley, 2001).

Human resources development contributes to the continuous improvement of the economy (Dyer, 1984). Thus, the quality of human resources in organizations highly impacts on their productivity. Human resources developments are important in an organization because it increases the capacity in technology, competitiveness, and productivity (Dyer, 1984). Human resources development, a process of increasing and enhancing employees' knowledge, is considered as a process of improving knowledge, professional abilities, and capacities of human resource in an organization (Etzioni, 1964).

The program of organizational development is one of the strategies to strengthen the sustainability of an organization (Hall & Goodale, 1986) to ensure that the organization does not return to its original backward situations (Cumming & Worley, 2005). The strategies focus on effective planning, which begins with a diagnosis and an identification of the problem in the organization (Ivory & Brooks, 2018). This is followed by understanding the issues and proposing solutions to the problems faced by the organization before making any changes (McLean, 2006). Every organization must strive to achieve the goal of enhancing knowledge to perform activities in the organization. This enhancement of knowledge will improve quality services, high productivity, and continuous development in the organization (Cumming & Worley, 2005).

Organizational Sustainability

One of the aims of organizational development is to sustain the organization. Sustainability is a growth involving a business model that creates values in line with the idea of preservation. The principle of sustainability, which includes the enhancement of financial, environmental, and social capital, is to enhance the societal, environmental, and economic system within which a business

operates (Ivory & Brooks, 2018). The term sustainability can be defined as an approach to business that involves economic, environmental, and social issues and is balanced between holistic and long-term ways (Orlitzky et al., 2003).

Sustainability can be loosely defined as keeping the business going. In an article, Jegers (2003) described sustainability as an achievement of success today without compromising the need of the future. Organizational sustainability is a process that requires continuous effort in maintaining financial stability (Jegers & Verschuere, 2006), upholding internal operations and management (Pfeffer & Salancik, 2005), and sustaining strategies in an organization (Germak & Singh, 2010). Organizational sustainability is also defined as having the ability and capability in maintaining certain things as well as undergoing minimal change (Jegers, 2003). Organizational sustainability is an impactful business strategy to remain in the market for a short or long term based on financial stability and the success of an organization (Orlitzky et al., 2003).

Successful business strategies are achieved through decisions that involve management decisions in an organization. Garza et al. (2014) stated that the success of an organization is the result of a decision performed by the top management. The results of these decisions will have an impact on the economic, social, and political environment (Presley et al., 2007). Therefore, the results of the decisions from top management are the most important element to sustain an organization. The results of the decisions from the top management will be influenced by the determination of the organizational goals. In achieving organizational goals, the top management needs to focus on planning and implementing effective strategies (Ivory & Brooks, 2018). Strategic planning is usually considered as an important activity in an organization (Mintzberg, 1994).

Therefore, strategies cover every level of the organization from the upper level to the lowest level. The environment that changes from time to time is regularly reviewed by the management. Thus, according to Blake and Mouton (1982), strategic management in an organization needs to be a source of strength in an organization because it has a positive impact on the organization. Besides, Jegers (2003) also states that effective strategies lead to organizational sustainability, and the achievement of organizational goals determines the duration of the sustainability of the organization (Ghemawat, 2010).

Theoretical

The Organizational Development Process Model attempt to integrate sustainability as way of increasing value of organization and how to achieve the goal of organization. Organizational Development Process Model was first introduced by McLean (2006). This model is used to test the environment in the organization used to describe the development, structure and technical in organization. This model contains phases that involving specific needs and purposes. Each phase is short but requires high resource requirements (McLean, 2006). These model needs intense study of external and internal circumstances to detect any possible patterns, the possibilities, or risks. However, the Organizational Development Process Model offers a tangible result that is indicator of sustainability.

The first stage is known as the process of entry or at the basic level. To explore the adaptation of the proposed shift, this stage is used. This stage will also identify the situations and goals that will exist in the future in the phase of organizational growth (Ivory & Brooks, 2018). Next, the initial step

is known as the next stage. If the entry stage is not solid, it is impossible to start this process. The goal in this stage is to define and deliver future improvements. That could influence the company and deal with them in advance (McLean, 2006).

Furthermore, Organizational Development Process Model can be used to see the whole process taking place in the company. Organizational Development Process Model is used to examine and understand the procedures within the company that take place (Ceptureanu et al., 2017). These stage for the assessment and feedback process is after the initial step. The driving agent for collaborating with stakeholders would be organizational development practitioners during the evaluation and input process.

The strengths and weaknesses of the organizational will be analysed during this process. Good and efficient tools that impact the company would prioritise the value of interest. Implementation, assessment, adaptation, and separation at different levels of individuals and groups will take place during the preparation and action phases. Therefore, if the organization will continue to stay or end, the survival of the organization will occur at this point (Ivory & Brooks, 2018).

Methodology

The review process consisted of selection of journals and databases, keyword search and article filtered. In the selection process of article is selected the journal related to title. The keyword searches were used that cover a large range of databases and journals identified in selection process. This result was refined through the acceptance and rejection criteria.

Implications and Recommendation

The sustainability development of an organization aims to increase the effectiveness of the organization. Sustainability is a relevant factor for the creation of value in organizations. This is because an organization needs to be effective in solving its problems. Every organization must strive to achieve its goals. Thus, it is necessary for an organization to assist its employees in improving skills and knowledge to carry out various activities within the organization. The high-quality performance of the employees in an organization will increase the quality of their service, boost their productivity, and enhance their ongoing development that eventually results in the sustainability of the organization. Organizational development programmes in non-profit organizations have become a vital element for their success and achievement of their vision.

The implications of this paper are it may assist top management of non-profit organizations in assessing and choosing the most relevant model to improve their organizations sustainability. Furthermore, future lines of research based on this paper could focused on adapting this model to components of sustainability.

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