

QUALITY OF MANAGEMENT PROCESSES AS A DETERMINANT OF NGOS' SUSTAINABILITY

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The quality of management processes and performance of non-profit organizations in the region are the essential prerequisites for increasing the sustainability of social support through NGOs. The paper summarizes the results of the evaluation study based on the Plan-Do-Controll-Act (PDCA) cycle analysis. The quality of management processes was self-evaluated on the basis of the analysis of the PDCA cycle in 79 NGOs, which took place in the 2015–2019 with the recipients of social support subsidies of the South Moravian Region administration. A composite indicator was designed to compare the overall level of management quality of participating NGOs. Results identified significant room for improvement in planning, fundraising, management of work with volunteers, and systematic use of data to improve NGOs' performance. Based on the understanding of the current level of the quality management processes, recommendations for enhancing the sustainability of NGOs and the efficiency of regional support are derived.

Keywords: sustainability, NGO, management processes, PDCA cycle

Introduction

A partnership is an essential element of good governance and the sustainable development and cohesion of modern society. Civil society can thus participate in public policy and be involved in determining its development and quality of life. An essential element in fulfilling the principle of self-management of the community is also the partnership between state administration and non-governmental organizations (NGOs), which are firmly connected with three aspects of civil society: philanthropy, volunteering, and the right to associate. They serve the public interest and develop their activities, especially where goals and outputs are difficult to define and measure. While in Western countries, the importance of the non-profit sector in society gradually increased over the long term and became a third fundamental pillar of society, in Visegrad countries, the non-profit sector has been recovering since the Velvet Revolution at the end of the last century, and its importance and effectiveness is constantly the subject of discussions.

In the 1970s and especially in the 1980s, several theories of the non-profit sector emerged, especially the idea of the market and government failures or the theory of trust, which dealt with defining specific characteristics and significance of non-profit organizations. Gradually, several research studies were carried out to confirm or refute the specific characteristics of non-profit organizations (Steinberg, 2006). Stejskal (2012) summarized the following defining characteristics of NGOs: they are institutionalized (they have an institutional and organizational structure separate from the state administration), they are self-governing, independent (not controlled by the state or another institution), voluntary, non-profitable, and public beneficial. According to Weisbrod (1998), restricting the distribution of profits brings social benefits. It allows non-profit organizations to carry out activities that are essential to society and do not generate financial gain. On the other hand, more and more critics point out that restricting the distribution of profits reduces the incentives for effective action (Hyánek, 2011). Those non-profit organizations are established mainly to obtain tax relief and are less transparent. Citizens and donors cannot control their activities and the efficiency of managing their resources. The high degree of dependence on subsidies and the changing priorities of donors threaten the continuity

of the social activities of non-profit organizations and their sustainable functioning. In addition, their support is considered to distort competition. After fundamental steps were taken in the theoretical research of the non-profit sector, the need for comparative analyses arose (Hyánek, 2001). Part of the research was also an effort to formulate such a definition of a non-profit organization, which would be applicable in an international context and would allow a comparison of non-profit sectors of individual countries. At the same time, the research focused on defining the purpose of non-profit organizations in the economy. According to some authors, if non-profit organizations have specific characteristics, they are destined to provide certain types of public services. For example, according to Ben-Ner (2002), non-profit organizations can better satisfy clients for goods characterized by non-rival consumption and non-exclusion from consumption. For non-profit organizations, clients can more easily express their product requirements and, where appropriate, provide donations to non-profit organizations to ensure that the product is available in the way they require. Although the intensified study of the non-profit sector has lasted for more than 40 years, it is still far from closed, and even the basic questions have not yet been fully answered.

The growth in the number of non-profit organizations and the changing environment in which non-profits operate, with significantly increased pressure to prove the outputs and results of their activities, led non-profit organizations in the 1990s to adopt more common management processes for the non-profit sector (including concepts such as quality management, benchmarking and many others). Non-profit organizations were often forced to change their strategy by adapting the principles of efficiency in addition to promoting the values for which they were established. One such issue is evaluating the efficiency and sustainability of non-profit organizations, which continues to be the focus of researchers and practitioners. However, the literature on this issue is increasingly fragmented due to the different approaches of individual scientific disciplines. Effectiveness generally has two essential characteristics: it is subjective and relative. The subjectivity results from the set goals. For multiple objectives, it is necessary to establish the measurement indicators differently. The relativity of effectiveness is given because its informative value can be recognized only when compared with the effectiveness of other alternatives. The growing pressure on non-profit

organizations' accountability, transparency, and financial responsibility requires unifying views and a collective understanding of NGO effectiveness.

For this reason, Leczy et al. (2011) published a comprehensive and interdisciplinary literature review on NGO effectiveness. They concluded that conceptual work dominates the literature, while empirical studies remain rare, and there is still no consensus on operationalizing this concept. On the contrary, researchers agree that a one-dimensional evaluation of effectiveness is not relevant. In response, multi-dimensional models are being developed, which usually include goal-oriented criteria, systemic resources, and reputation as basic dimensions for evaluating the effectiveness of NGOs. The concepts of effectiveness and sustainability resulting from NGO research include financial efficiency (charitable watchdogs); project impact (Eisinger, 2002; Barnow 2000), management efficiency (Lewis, 2004); board effectiveness (Herman and Renz, 1999); and the effective use of partnerships and networks (Bacon 2005). Based on empirical research, Heiberg and Bruno-van Vijfeijken (2009) point out that only about 10% of NGOs regularly evaluate the effectiveness of programs. According to Hoefer's (2000) research, the main reasons for the lack of program evaluation are costs and donors – either because there was not enough money for evaluation (48%) or because their donors did not require assessment (43%). Only 14% of respondents thought that evaluation was not needed. The donor often contributes in regular payments, which gives him more control and influence over the behaviour of managers. Through empirical research, Thomson (2010) confirms the central role of donors in evaluating the effectiveness and points out that donors' reporting requirements overcome resource constraints and can increase the rigor of measuring and assessing results. Kaplan (2001) emphasizes that if an organization is to be viable and grow, it must develop core competencies in management and continuous improvement.

Last but not least, it is emphasized that the effectiveness and sustainability of NGOs are cyclically linked to legitimacy, which is often determined by the performance of NGOs in the past and innumerable interactions with stakeholders. While traditional success rates such as financial viability, the value of donations, or the number of recipients are still applied in practice, the definition of success is changing in today's society. Sustainable NGOs need to respond effectively to these changes in evaluation criteria to ensure transparent and efficient use of grant resources. Consequently, the quality of management processes and performance of non-profit organizations in the region are the essential prerequisites for increasing the sustainability of social support through non-governmental NGOs. Thus, the presented research focuses on evaluating the quality of NGO management as a critical factor in determining the effectiveness and sustainability of NGOs. It is based on the assumption that the assessment of the effectiveness of the use of subsidies and its further increase can be achieved by assessing and improving management processes.

The paper aims to present the results of empirical research, which focuses on evaluating the application of Deming cycle (Plan-Do-Check-Act) management processes in NGOs in the South Moravian Region. The quality of management was self-evaluated using the analysis of the Deming cycle in NGOs which in 2015–2019 were the recipients of social support subsidies of the South Moravian Region administration. A composite indicator was designed to compare the overall level of management quality of participating NGOs. The effort was to contribute to the discussion on ways to evaluate the quality and increase the sustainability of NGOs and respond to the identified need to increase the number of empirical studies dealing with evaluating NGO effectiveness. This need is particularly emphasized in the Visegrad countries, where the non-profit sector began to develop in specific social conditions only in the 1990s. The practical benefit of the research was to use empirical data

to evaluate the current situation in the South Moravian Region and to use the results to propose criteria for evaluating grant applications by donors to ensure the effectiveness and sustainability of social support.

Material and methods

The environment for increasing the efficiency and transparency of NGOs has been newly formed in the Czech Republic during the last 30 years. The non-profit sector of the Czech Republic has been spontaneously recovering after 1989, when several foreign donors supported the development of the new democracy. The necessary legislation defining the state's relationship with the private and non-profit sectors was adopted in the 1990s. The accession to the EU in 2004 brought new opportunities and challenges in the possibility of drawing funds from the EU.

The study design and goals of empirical research among NGOs were based on the assumption that the fundamental role of non-profit organizations was always to create social changes and lead the way to a higher quality of life. While traditional success rates such as financial viability, donations or number, and recipients' satisfaction are still in place, the definition of success and public expectations are changing today. NGOs must respond effectively to these changes to ensure efficient use of resources and sustainability. Evaluating the sustainability and effectiveness of their activities requires a multi-criteria analysis focused on the identified essential characteristics of the successful management of non-profit organizations. The performance of a non-profit organization and its contribution to improving the quality of life in a given region result from the introduction and maintenance of such a management system, which aims to improve the quality of activities and services continuously.

Therefore, in the evaluation of NGOs and their selection from the donor's point of view, great emphasis must be placed on the quality of their management and setting up processes of continuous improvement as a fundamental element of constant success and effectiveness in achieving goals and building partnerships with government organizations. The basis of the continuous improvement process and, at the same time, one of its tools is the Deming cycle (or the PDCA cycle). It is a model based on a logical sequence of four repetitive steps/processes: (P) plan, (D) do, (C) control, (A) act. It captures the driving forces of innovation processes, which are the basis for a permanent increase in the quality and efficiency of organizational activities. The Deming cycle is a crucial element of the ISO 9001 standard and is part of the EFQM (The European Foundation for Quality Management) models of excellence used in both the for-profit and non-profit sectors. The control and supervision of the quality and sustainability of the non-profit organizations can then be carried out by checking whether the established principles of continuous improvement are implemented.

The empirical research aimed to find out information about the characteristics and quality of management processes in non-profit organizations that have received South Moravian region subsidies in the last five years. Quantitative research using a questionnaire survey technique among NGO management representatives and a Multi-Criteria Evaluation Method (MCEM) were used to gain knowledge. A comprehensive evaluation of the quality of the NGO management by MCEM and subsequent comparative analysis of the results requires a clear definition of the evaluation criteria and identification of their fulfilment level.

We tested the pilot version of the questions and the adequacy of theselected PDCA cycle evaluation criteria through a group discussion in a sample of five non-profit organizations representatives and three representatives of the research team. Based on the pilot interview and

discussion, the questions were finalized concerning the comments and suggestions arising from the group discussion. The final questionnaire included 35 questions, divided into two groups in terms of information objectives. In the first 10 questions, basic information about NGOs and their financing methods was asked. The second group of 25 evaluation questions focused on identifying the approach to managing the organization and gaining knowledge to assess the quality of the management system through PDCA cycle analysis. The information was obtained in a way that the answers enable the subsequent scaling and standardization of the data and comparative analysis. The outputs have the character of self-assessment questions according to the criteria listed in Table 1.

The research addressed all NGOs that were recipients of grants distributed through the regional administration. Data collection took place from September 2019 to March 2020 through online surveys. All 184 NGOs from the NGO database of the South Moravian region, which received financial support from the South Moravian Region budget in 2013–2019, were addressed. The return rate was 43% (79 subjects responded to NGOs). The input to the PDCA cycle analysis was a standardized database, which generated an evaluation matrix (75 records $\times$ 25 data), i.e., 1,875 processed data.

The management practices indicated in the questionnaire by a representative of each NGO were evaluated against a set of criteria C_j ($j = 1, 2, \dots, m$) for each phase of the PDCA cycle. A scale of 0–2 points for assessing PDCA cycle criteria was used (0: unfulfilled or minimal fulfilment, 1: partially fulfilled, 2: fully fulfilled). The obtained data were normalised and summarized in a hierarchical structure. The average rate of criteria fulfilment was counted for each set of criteria and the whole PDCA cycle. The general model applied for the MCEM was:

$$M(PDCA_i) = \sum W_j X_{ij}$$

where: $M(PDCA_i)$ – total evaluation result for each NGO ($i = 1, 2, \dots, n$); X_{ij} – the value of i of criterion j ($j = 1, 2, \dots, m$); W_j – the weighted value of j of m criteria. All criteria were here equally important

Relative weighting (normalization) was conducted to allow a comparable result for all criteria fulfilment using the following normalization for the maximization problem:

$$X'_{ij} = \frac{X_{ij}}{X_{ij \max}} \cdot 100 \quad (\%)$$

where: X_{ij} – the assigned value of NGO i for the sub-criteria j ; X'_{ij} – the normalized value of NGO i for the sub-criteria j ; $X_{ij \max}$ – the maximum value for the sub-criteria j

That means that the rate of criteria fulfilment was counted by dividing the number of points achieved for a given criterion by the maximum number of points for a given criterion. Finally, the aggregation of the overall score for each NGO was computed based on the following equation:

$$M(PDCA) = \frac{\sum X_{ij}}{\sum X_{ij \max}} \cdot 100 \quad (\%)$$

where: $M(PDCA_i)$ – total evaluation result for each NGO ($i = 1, 2, \dots, n$); X_{ij} – the value of i NGO of criterion j ($j = 1, 2, \dots, m$)

Results and discussion

Characteristics of NGOs involved in research

A total of 75 NGOs that actively participated (43%) in the research represent a set of organizations that have demonstrated an interest in developing their activities in the long term. Only 9% of organizations have provided services for more than 24 years, and 14% for less than 5 years. However, the majority of respondents (55%) indicated that their organisation has been operating for more than 10 years. The vast majority (95%) of the NGO sample works continually. Only 5% of NGOs indicated the disruption of activity, the reasons being most often socio-political changes, the termination of the subsidy program, or health restrictions of a key representative of the NGO. 60% of participants stated their mission on leisure activities and joint

Table 1 PDCA cycle evaluation questions checklist

Act (C_A)	Plan (C_P)
1. Is data on the organization's activities and results systematically processed and used for improvement purposes? 2. Is customer feedback, including suggestions for improvement, systematically monitored, documented, and used? 3. Is employee feedback used to improve operations? 4. Are the data obtained from the project used in project planning for the next period? 5. Are implementation data systematically used in fundraising? 6. Are available sources of information about customer needs systematically used in available information sources?	1. Is the vision/goal clearly defined and published? 2. How is your organisation ready for the challenges? 3. Is fundraising systematically anchored in the organizational structure? 4. Has a fundraising plan been developed? 5. Is planning systematically anchored in the organizational structure? 6. Has a strategic plan been developed? 7. Is the strategic plan developed in the action plan?
Control (C_C)	Do (C_D)
1. Is the current implementation of the project monitored? 2. Constant monitoring of budget expenditure? 3. Are the results achieved documented? 4. Are changes and problems documented? 5. Are projects analysed and evaluated after their completion? 6. Were appropriate indicators used when publishing the evaluation report?	1. Designation of a project manager? 2. Are the detailed project implementation plans developed? 3. Is the responsibility/competence for project implementation defined? 4. Is co-financing ensured? 5. Is the work with volunteers systematic? 6. Are the projects implemented according to their separate budgets?

Source: Own research based on ISO standards

events for children, youth, and adults, family support, and strengthening intergenerational relations and social cohesion. Less than a third (31%) focuses on the support and care of the disadvantaged and disabled, and 8% develop activities in the education and training of children.

Browman (2011) emphasizes that the sustainability and resilience of NGOs require building their financial capacities (including reserves corresponding to economic risks) and ensuring a stable income from diversified sources. However, the majority of NGOs included in the sample are dependent on subsidies from public budgets (81%). They comprise 80–100% of the sources for a third (33%) of the assessed NGOs, 60–79% of the sources for 37% of the NGOs, and 40–50% for 11% of the NGOs. On average, NGOs are financed from 60% of public resources, 26% from their activities, and 13% from own resources. Only 1% indicated sustainable financing when the share of public funds in total resources does not exceed 30%. 72% of NGOs have a dedicated employee who systematically deals with obtaining financial resources. Only 9% of the surveyed organizations have developed a fundraising plan and only less than three-quarters of NGOs (73%) have secured co-financing. Only 33% of organizations have established a transparent account. Data on implemented projects is used to a limited extent in fundraising (6%) or is not used at all, as stated by 50% of organizations.

Almost all NGOs included in the research have created their websites (93%), but for the majority of them, they only fulfil the function of providing basic information about the organization's activities. Information about customer needs in the area of their activities is most often drawn from personal contact with the community (10%), potential and existing clients, and feedback from clients obtained through interviews, and in some organizations also systematically using the questionnaire survey technique (30%). Other significant sources of stimuli are personal experiences and examples of good practice (15%), information obtained through participation in professional platforms, conferences, workshops, and meeting colleagues from other organizations (15%), and self-education through Internet resources (15%). Overall, it can be assessed that at least half of the respondents are trying to increase their professional competencies and are significantly oriented towards participatory approaches. Regarding communication and work with volunteers, the research found that only 19% of the organizations approached systematically communicating with volunteers and managing a database they use when recruiting volunteers, and 32% registered volunteers in the database and contacted them if necessary. Almost half of the organizations (49%) provide volunteers by call, according to the needs of the clients and the project (ad hoc). During the implementation of the projects, the coordination and monitoring of the volunteers' work is most often carried out systematically through regular meetings and meetings with the implementation team or coordinator. The most common form of communication is personal and electronic via e-mail and shared documents are also used for reporting. 34% of the interviewed NPOs use the work of corporate volunteers, most of whom (67%) are able to estimate the extent of the use of volunteer work based on records or an overview, which varies depending on the size and focus of the organization from a few hours to 800 hours/year. 66% of respondents do not use the work of company volunteers (in some cases, it has not yet been possible to get them, or the organization is too small). Communication about the results of the organization's activities with stakeholders opens up room for improvement when the research found that only 54% of those included in the study regularly process and publish annual activity reports. 28% of NPOs do not provide client feedback, and more than half of NPOs (56%) do not use data on implemented projects in communication with donors or use them to a very limited extent. One of the respondents even stated that donors are not interested in this information.

Evaluation of the quality of the management processes

The most important part of managing any organization's activities should be a systematic effort for continuous improvement. Within the internal rules, it is a matter of setting up management processes leading to better results based on the experience gained from activities in the previous period. Results of the PDCA cycle assessment reflected that the non-profit sector in the Czech Republic has been developing again in the last three decades. The indicated quality of management processes in organizations drawing public resources in the region was very different – the overall level of compliance with the set of the PDCA criteria in the sample of NGOs was only 50%. Results revealed the main problems in planning and fundraising, where NGOs indicated the lowest average level (29.90%) of compliance. The highest compliance level (64.78%) was for the control (C) processes.

Table 2 shows the PDCA criteria ranked according to the average fulfilment level by NGOs. The evaluation of the reported PDCA processes shows that the lowest average level of criteria fulfilment was achieved in fundraising planning (0.21) and its systematic anchoring in the organizational structure (0.29). It indicates a sustainability problem because successful fundraising should be the subject of strategic planning rather than ad hoc activities. The results of the NROS Foundation's analysis show that the area of financial management is one of the weakest aspects of the Czech non-profit sector generally (Csukás, Tomášová and Šilhánová, 2014). Non-profit organizations often find themselves in a situation where not all planned costs are covered at the beginning of the year, and resources are only raised for them during the given year.

The mission expresses the meaning of the existence of NGOs, their purpose, and target group, and all the organization's processes should lead to its fulfilment. Therefore, it must be clearly defined and published so that both employees and the general public can identify with it. The research results show that NGOs do not systematically integrate planning into the organizational structure (criterion fulfilment level 0.21). Although most organizations have developed a vision and strategic plan (78%), their development is often formal, and only 11% of organizations develop it into action plans. 28% of NGOs respond to the challenges on an ad hoc basis. On the other hand, the strategy must be worked on an ongoing basis, as the environment in which organizations operate is constantly changing, and new opportunities and threats are associated. More than 50% of the strategy is reviewed and updated regularly.

The highest average levels of fulfilment were achieved by the processes of Ongoing monitoring of budget expenditure (1.63), which is fulfilled by 83% of NGOs, and Analysis and evaluation of projects after their completion (1.81 out of maximum value 2, fulfilled by 91% NGOs). Respondents indicated a relatively high level of fulfilment of the criteria Setting the implementation processes, in particular Ensuring co-financing (1.47 – fulfilled by 73% of NGOs), Detailed project implementation plans (1.36 – fulfilled by 68% of NGOs), and Defined responsibility/competence for project implementation (1.39 – fulfilled by 50% of NGOs).

Respondents explained this high level of control process setting by answering that the regional government requires budget compliance and a final project evaluation report in grant programs. Typical and important for NGOs is compliance with the requirements and conditions of donors arising from the relevant contract (especially grants) and compliance with the organization's internal regulations. Non-profit organizations are under the scrutiny of their donors, in the case of larger projects also external audits. The research results thus confirm the significant influence of donors on the cultivation of NGO management.

Table 2 PDCA cycle evaluation criteria ranking

PDCA cycle evaluation criteria		Level of criteria fulfilment						Aver. level
		number of NGOs at			share of NGOs			
		no or min	partial	full	no or min	partial	full	
P	Fundraising plan developed	67	0	8	89.33%	0.00%	10.67%	0.21
P	Strategic plan elaborated in the action plan	67	0	8	89.33%	0.00%	10.67%	0.21
P	Fundraising is systematically anchored in the organizational structure	56	16	3	74.67%	21.33%	4.00%	0.29
P	Planning is systematically anchored in the organizational structure	54	16	5	72.00%	21.33%	6.67%	0.35
C	Documentation of changes and problems	49	0	26	65.33%	0.00%	34.67%	0.69
D	Systematic work with volunteers	37	23	15	49.33%	30.67%	20.00%	0.71
A	Implementation data is systematically used in fundraising	39	17	19	52.00%	22.67%	25.33%	0.73
P	Readiness to respond to challenges	21	47	7	28.00%	62.67%	9.33%	0.81
A	Data on the organization's activities and its results are systematically processed and used for improvement	24	38	13	32.00%	50.67%	17.33%	0.85
A	Feedback from employees is used to improve activities	23	40	12	30.67%	53.33%	16.00%	0.85
A	Data obtained from project implementation are used in project planning for the next period	25	36	14	33.33%	48.00%	18.67%	0.85
D	Designation of a project manager	42	0	33	56.00%	0.00%	44.00%	0.88
A	Client feedback, including suggestions for improvement, is systematically monitored, documented and used	23	36	16	30.67%	48.00%	21.33%	0.91
C	Ongoing project implementation monitoring	24	27	24	32.00%	36.00%	32.00%	1.00
P	Strategic plan developed	6	52	17	8.00%	69.33%	22.67%	1.15
P	Clearly defined and published goal/vision	5	53	17	6.67%	70.67%	22.67%	1.16
C	Publication of evaluation report using appropriate indicators	20	14	41	26.67%	18.67%	54.67%	1.28
D	Detailed project implementation plans	24	0	51	32.00%	0.00%	68.00%	1.36
D	Implementation of projects according to their separate budgets	24	0	51	32.00%	0.00%	68.00%	1.36
C	Documentation of achieved results	10	28	37	13.33%	37.33%	49.33%	1.36
D	Defined responsibility/competence for project implementation	3	40	32	4.00%	53.33%	42.67%	1.39
A	Systematically used available sources of information about customer needs	2	37	36	2.67%	49.33%	48.00%	1.45
D	Ensuring co-financing	20	0	55	26.67%	0.00%	73.33%	1.47
C	Ongoing monitoring of budget expenditure	14	0	61	18.67%	0.00%	81.33%	1.63
C	Analysis and evaluation of projects after their completion	7	0	68	9.33%	0.00%	90.67%	1.81

Source: Own calculation

Although most organizations set up control processes, only 35% of organizations document project changes and problems. Data on the organization's activities and results are rarely systematically processed and used for improvement (only 17% of NGOs). Only 16% of organizations systematically use employee feedback for further planning. Fundraising aims

to build a stable circle of supporters. Great emphasis is placed on maintaining a long-term relationship with donors and obtaining as many regular donations as possible. The cost of acquiring a new donor exceeds far retaining it. Systematic care of donors is needed to maintain support, which, thanks to regular communication, dynamic presentation of results, opportunities

Table 3 The average fulfilment of the PCDA cycle criteria in NGOs according to the duration of their activity

NGO (duration of activity)	Number	Criteria fulfilment rate					
		plan	do	control	adjustment	PDCA cycle	St. dev. PDCA
Less than 5 years	12	30%	51%	65%	45%	47%	16%
5–15 years	33	25%	60%	63%	44%	47%	14%
16–25 years	18	41%	70%	69%	58%	59%	20%
26–35 years	7	35%	55%	74%	49%	52%	26%
More than 35 years	5	14%	50%	47%	32%	35%	12%
All NGOs	75	30%	60%	65%	47%	50%	18%

Source: Own calculation

for involvement, and participation in events, will keep their attention and interest. Only 25% of NGOs systematically use implementation data in fundraising (level of criteria fulfilment 0.73). Results identify significant room for improving the quality of NGO management in the organization and management of work with volunteers (fulfilment level 0.71). Only 20% of NGOs work with volunteers systematically and communicate regularly with their volunteer base. 50% of organizations address volunteers and make calls as needed.

A comparative analysis of multi-criteria evaluation of the average fulfilment of the PCDA cycle criteria in NGOs according to the duration of their activity is summarized in Table 3.

The results document that the quality of management processes does not show a high dependence on the duration of NGO activity. Worse results in the category of NGOs over 35 are related to low representation in the research sample and the character of these organizations (charities and church organizations). On the contrary, a higher average score for fulfilling the PDCA criteria was achieved, depending on the organization's size, in larger organizations.

Conclusions

The most important thing for the long-term success of non-profit organizations is to explain the organizational strategy, which is defined as a unique mix of activities and values that distinguish a non-profit organization from others. Efficiency can be one of the components of a non-profit's sustainability. Therefore, in evaluating NGOs, great emphasis must be placed on the quality of their management and continuous improvement processes as a fundamental element of sustainable success and effectiveness in achieving goals and building partnerships between donors, volunteers, employees, and other stakeholder groups. The suggested evaluation methodology is based on PDCA cycle analysis. The proposed evaluation method enables both the research and identification of shortcomings in setting up management processes for the continuous improvement of NGOs and, at the same time, the ranking of NGOs according to the quality of management, which is a determinant of effectiveness and long-term partnership. The results can also be used to cultivate the non-profit sector environment and increase efficiency by benchmarking NGOs.

Based on the survey data analysis, we identified opportunities for increasing sustainability and efficiency through funder-NGO accountability. The regional government should prioritize financially stable organizations with a committed volunteer base and strong leadership to fulfil long-term social goals. The assessment identified the critical factors in planning, fundraising, and systematic use of data to improve NGOs in the South Moravian region.

First, there is a high dependence on public funds and lower activity concerning donors. By setting the criteria of subsidy programs, it is necessary to strengthen the pressure on the financial sustainability of non-profit organizations. Management processes of systematic care of donors are needed, requiring regular communication, dynamic presentation of results, opportunities for involvement, and participation in events. Further weaknesses of an appropriate organizational culture focused on achieving short-term and long-term goals more effectively. A prerequisite for selecting NGOs should be a clearly defined mission, which aligns with the needs of providing public services provided by the grant program. Many organizations formulate it and adapt it to the requirements of subsidy programs, which is not a guarantee of forming an appropriate organizational culture. Research also identified room for improvement in communication with volunteers, clients,

and potential donors. Providers of financial resources should strictly require feedback. According to regional strategy, the contracting authority must clearly define which type of social services will be supported in the long term. Besides crucial performance indicators, they should ensure the continuity of funding for these regional social services.

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