



# Non-profit Organisations in the Current World: Selected Features

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## Abstract

Regarding the increase in importance of non-profit organizations, their activities and influence in international economic, political, or social relationships and systems is undoubtedly beneficial to pay attention about presented issue. The paper aims at selected features of non-profit organizations in current world, special attention is paid to the context of online marketing, fundraising, and social media management of organization Médecins Sans Frontières, its Czech branch to be specific. The aim of the paper is to provide comprehensive theoretical background and introduce particular demonstrative case study.

*Keywords: non-profit organization, fundraising, social media management*

*JEL classification: I39, L31*

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## 1. Introduction

Non-profit organizations (also NPOs) play an indispensable role in the contemporary economy and society by primarily focusing on issues and activities that are in the interest of various (usually somehow disadvantaged; Oboramadan, 2018; Duong, 2017) actors, and which at the same time neither the market nor the public sector is able or willing to address and execute (e.g. for economic reasons, for reasons of conflict with self-interest, etc.). At the same time, these are often organisations with very specific links to the public sector and political representation (Powers, 2014) and are seen as an element of civil society mobilisation (see Bučar, 2012; Mikuš, 2015).

In this understanding, non-profit organisations may also come under the spotlight of marketing, which focuses on building, maintaining and strengthening relationships between different entities in order to influence actors' behaviour in a desirable way, using marketing tools (see e.g. the definition in Chytilek et al., 2012).

In the context of marketing of non-profit organisations, we can think both in terms of marketing for the fulfilment of the organisations' own objectives and influencing the behaviour and mindset of different actors, but also in terms of their financing, which requires quite a lot of effort and is linked, among other things, to the issue of fundraising.

The objectives of the paper focus on the following areas:

- Introduce the nature of non-profit organizations and their role, define the concept of fundraising and place it in a broader context.
- To introduce the role of social media in the funding and operation of nonprofit organizations.
- To elaborate a case study of *Médecins Sans Frontières* regarding selected aspects related to the topic of functioning and management of non-profit organizations and the use of social media.

## 2. Non-for-profit Organisations and their Marketing and Fundraising

The definition of NPOs is associated with different perspectives and the following understandings can be given as examples:

- Self-sustaining, private, self-governing organizations whose operations are motivated by improving the quality of life of disadvantaged groups and are based on a non-profit basis (Duong, 2017; Oboramadan, 2018).
- Global governance player that addresses institutional weaknesses in the public sector and markets (Duong, 2017).
- Organizations (sector) providing goods and services to satisfy public interests that substitute for the public sector to enable public cost reduction (Oboramadan, 2018).
- Proxy indicator of civil society, development and democratization.

Organizations that are neither public nor private and are not even households (Oboramadan, 2018).

The development of NPOs can be traced from the 1980s to the 1990s (Vu et al, 2020), when the field (e.g., according to Duong, 2017) established itself from the level of a small community to a complex sector with a mission and international reach, and can also be linked to processes of democratization, liberalization, civil society activation, decentralization, and the promotion of human rights (Mikus, 2015; Bucar, 2012; Oboramadan, 2018). However, in addition to the positive impacts on the activities of NPOs, some risks or problems can also be observed, such as loss of trust, politicization, popularization of issues influenced by different interest groups, reduced willingness to meet many social needs by the public, market sector or families, and community, the need to activate local resources, etc. (see Mikuš, 2015 for developments in the Eastern European area).

Non-profit organizations face their anchoring in the system of society and economy, their own internal structure and their relationship with political representation and governments (Powers, 2014):

- We can observe a change in internal organizational dynamics either towards strengthening professional and strategic units or towards strengthening

marketing and communication units. The specific strategy depends on the audience of the organization.

- Some organizations try to present themselves as apolitical, others aim at eliciting political accountability and action. They choose their communication strategies accordingly, from minimalist to mass media.

As with many other concepts, the concept and nature of fundraising can be viewed in different ways; figure 1 outlines some possible approaches. It is interesting to note the relative similarity of the definitions of fundraising and marketing.

**Figure 1: Definitions of fundraising**

Fundraising	Communication
	Persuasion, motivating actors to spend resources
	Raising funds for the realization of activities, social good and interests
	Function of management

Source: Orgad (2015), Batti (2014), Duong (2017); Maqbool et al. (2019)

The entire functioning of non-profit organizations is based on the generosity of donors (Di Lauro et al., 2019), however, the resources provided by them usually do not cover the entire need, primarily due to the mismatch between the scarcity of resources and the limitlessness of needs (also in line with economic theory), as well as due to the ever-increasing costliness of the projects implemented (Batti, 2014). Thus, it is necessary to pay increased attention to the mobilization of different types of resources (existing or new; see Powers, 2014 on the categorization of fundraising originators into individuals, corporations, governments), which, however, places demand on the time and skills of human resources and may negatively impact the achievement of the objectives of the organizations themselves (Batti, 2014). In this sense, the application of managerial approaches and methods that are traditionally associated with the market sector and managerial economics seems appropriate (Maqbool et al, 2019). In this sense, Oboramadan (2018) argues that although NPOs are primarily based on the principles of philanthropy, volunteerism, etc., little attention is paid to their rationality, efficiency, effectiveness and sustainability.

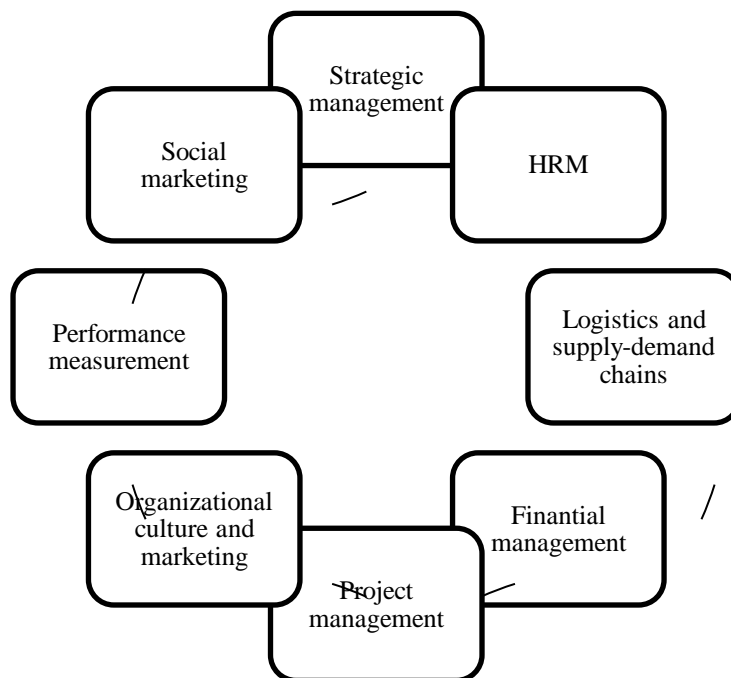
Figure 1.2 illustrates the holistic approach to NPOs management, which, according to the author, leads to more effective allocation and activation of various resources, collaboration and improvement of NPOs management.

The resources of NPOs can be divided into two categories (e.g. Powers, 2014) as shown in Figure 1.3.

Mikuš (2015) says that the determinant of successful fundraising is trust, which is linked to the need to achieve transparency, the credibility of organisations (Radilova and Ziomek, 2020; Di Lauro et al., 2019). Another important characteristic of fundraising is its need for stability and certainty, which continue to influence the sustainability of nonprofit organizations (Batti, 2014).

Fundraising and the willingness of potential donors to spend their resources for the functioning of NPOs is also linked to the area of interest of both parties of the relationship (Mikuš, 2015; we can observe, for example, the support of more attractive society-wide issues, etc.), the prioritization of the supported activities with regard to resource constraints. The quality of human resources and experience (also Batti, 2014), controversy, reputation and public relations (PR) of NGOs are also very important (Mikuš, 2015).

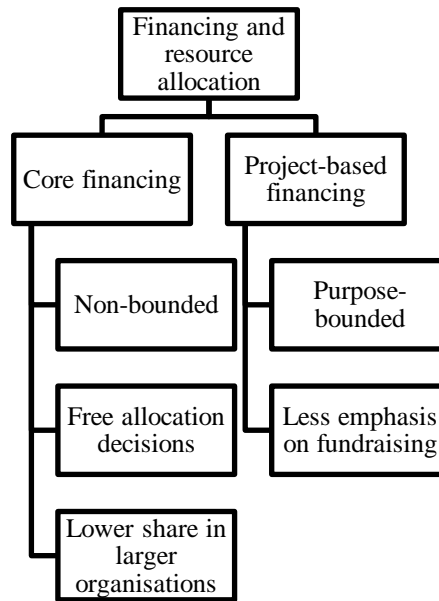
**Figure 1.2: Holistic approach to NPOs management**



*Note: HRM = Human Resource Management*

Source: Oboramadan (2018); Maqbool et al. (2019); Radilova a Ziomek (2020)

**Figure 1.3: Resource categorization**



Source: Powers (2014)

There are number of tools available for fundraising by non-profit organizations (Batti, 2014), which can be categorized according to whether they are (i) conventional, such as individual philanthropy, private foundations, corporate entities, governments, foreign development agencies; or (ii) unconventional, such as membership fees, business activities, realization of own income, prizes, etc. Nowadays, one can also observe the application of advanced fundraising methods by non-profit organizations and the use of modern media (YouTube, Facebook, X, TV campaigns, etc.; Maqbool et al., 2019). The main variables of modern fundraising are (according to Maqbool et al., 2019) targeting beliefs, convictions, and ideology; rapid interaction and relationship building with donors; technology used; global and local events; and partnerships. Figure 1.4 outlines the current fundraising challenges for nonprofit organizations.

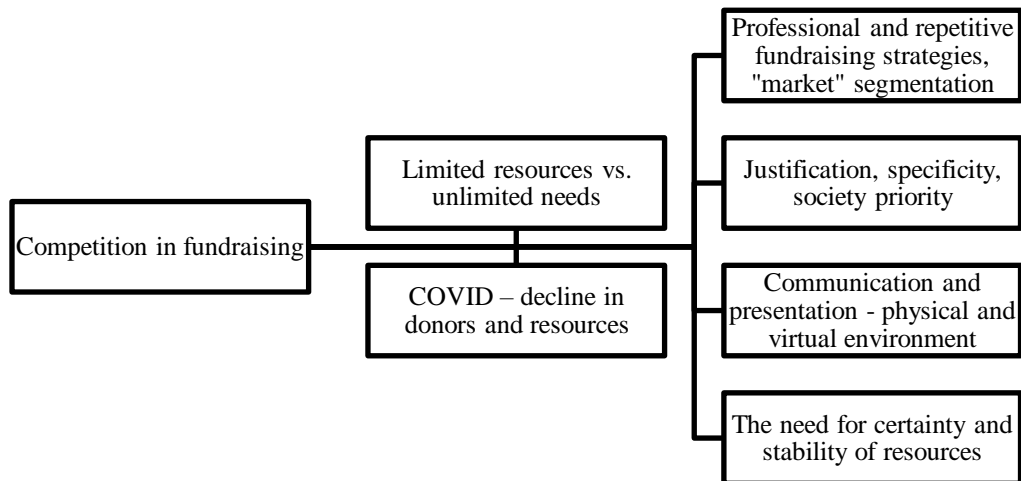
**Figure 1.4: Fundraising challenges**

External	Internal
Donors priorities	Capacity
Donors relationships	Accountability and transparency
Prejudice and bias	Founder syndrome
Competition	Strategic management and governance
Political priorities and public policies	Human resources, Human and social capital
Legal framework	Communication and branding

Source: elaborated by author based on cited sources

Of the challenges mentioned, let us now pay more attention to the issue of competition in fundraising. Although the nonprofit sector is based on non-market principles, the issue of competition is relevant in the context of competition for scarce resources. The whole idea is illustrated in Figure 1.5. The authors Radilova and Ziomek (2020) continue to mention that as the nonprofit sector grows, competition for resources increases, the pressure to prioritize issues as well as politicize them, the crowding-out effect between private and public resources increases, and the communication of what still needs to be done rather than the presentation of what has already been accomplished increases (also Powers, 2014). The authors identify relationship building, credibility and reputation of organisations and the use of modern communication and ICT tools as key to achieving competitive marketing.

**Figure 1.5: Competition in fundraising**



Source: Radilova and Ziomek (2020); Vu et al. (2020)

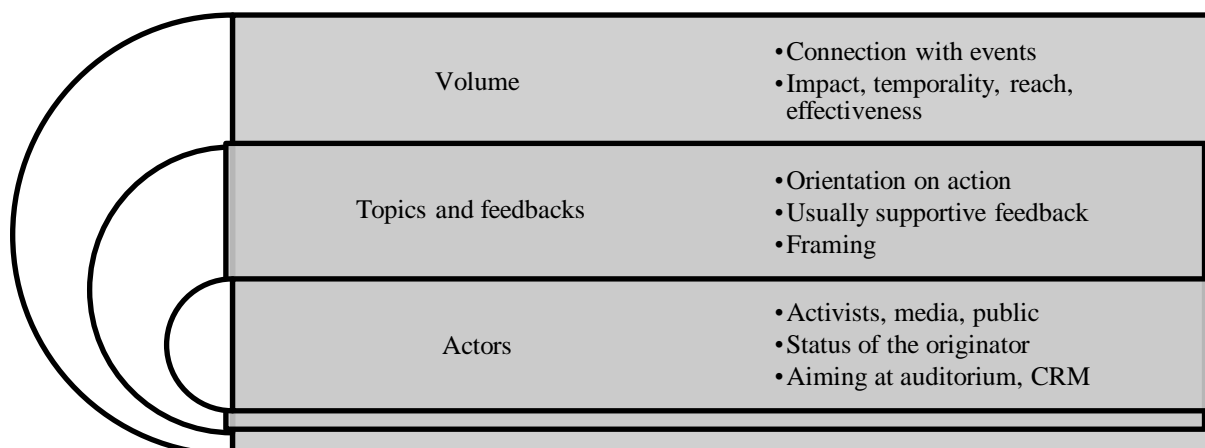
With the massive development of virtual space and ICTs, number of fundraising and communication activities of non-profit organisations have shifted quite significantly to this area (Di Lauro et al., 2019; Vu et al., 2020). Quite significant benefits of this shift include, among others, increased interaction and immediacy of actors' response, increased communication reach virtually to a global level, reduced costs, improved opportunities for collaboration and visibility (Raja-Yusof et al, 2016). Specifically, social media and communication can be used to form strong and intense relationships with actors and thus build so-called Customer Relationship Management (also CRM; Di Lauro et al., 2019; Maqbool et al., 2019; Radilova and Ziomek, 2020). Social media as a fundraising tool can also bring additional and benefits such as high transparency, credibility, better engagement with actors and the possibility to more easily gain support and improve image (Di Lauro et al., 2019). On the other hand, many nonprofit organizations are reluctant to increase their activity on social media, especially in the context of fear of confrontation, negative feedback and thus deterioration of reputation, but also due to loss of control (Comfort and Hester, 2019).

We can also observe a relatively significant change in fundraising strategies (Raja-Yusof et al., 2016), towards the formation of an effective and functional strategy in line with the principles of strategic management (from audience identification, through the formulation of objectives, the selection of tools, the creation of a budget and action plan and media mix to evaluation; Duong, 2017; Maqbool et al., 2019; Radilova and Ziomek, 2020). Social media strategies can (e.g., according to Di Lauro et al., 2019) be divided into generic social media management (as a continuum) and specific campaign management (as a one-off event); furthermore, strategies can be shaped as responsive and proactive (as a so-called push factor of donor engagement); or a more indirect approach to social media activity can be followed, leaning towards only informative activity (Comfort and Hester, 2019). However, again, an overall strategic approach to social media fundraising is necessarily linked to demands on the quality of human resources, availability of information, and the quality and strength of relationships.

Social media can serve a variety of purposes, which include advertising, education and awareness, fundraising, knowledge sharing, and problem solving (Raja-Yusof et al., 2016). A key element of success on social media is then (e.g. Orgad, 2015) differentiating oneself from competitors, identifying the goals of the organization with those of potential donors and various interest groups. As pointed out by, for example, Duong (2017) or Comfort and Hester (2019), attention and visibility are essential for raising not only funds, but also for being able to meet objectives and influence the behaviour and mindset of relevant actors.

The activity and success of nonprofit organizations can be assessed along three dimensions (Figure 1.6). Subsequently, activity and success on social media can determine the awareness of organisations, their image and their ability to raise resources for their activities. Vu et al. (2020) link activity and success on social media to action orientation (versus effectiveness and impact), persuasive content, and appropriate framing (diagnosing the situation, forecasting the future or motivation, and appeal).

**Figure 1.6: Dimensions of evaluating the activity and success of NPOs on social media**



Source: according to Comfort and Hester (2019)

### 3. A Case Study of Medicine Sans Frontiers

The next chapter, the empirical part of the paper, is devoted to the evaluation of selected aspects of the functioning and financing, or rather management, of the organisation *Medicine sans frontiers*, its Czech branch. The evaluation is based primarily on the organisation's annual reports and also on data on its website.

The organization's primary focus is on providing medical and humanitarian assistance to the vulnerable. It emphasises its apolitical nature, its independence from governments or political representation in particular, but also from specific market actors, religious organisations, etc. The provision of services is based on the principles of non-discrimination in all aspects, cooperation with different groups of actors, neutrality, freedom of action and impartiality. In the case of *Médecins Sans Frontières*, the main focus of resources is on the provision of concrete assistance (see Figure 3.2 below), with the organisation setting a commitment that no more than 20% of expenditure is spent on donor care, including fundraising, and on the administration and running of the organisation itself.

Social media and virtual space are important communication tools for the organisation and it tries to use its potential to the maximum for its activities. Table 3.1 shows a kind of check-list of how the different elements are used in the organisation's daily practice. It can be seen that the organisation tries to maintain intensive communication towards external actors through various channels, emphasising current events and developments that may determine the need for its interventions (e.g. the ongoing conflicts in Ukraine and Gaza, etc.). Relationship building with the donor is also used, including through the special status of regular donor ("Donor without Borders"). Appeals for contributions are primarily oriented towards project-based, bounded funds (see above). Fundraising communication is very much based on storytelling, concrete examples and demonstrative materials. The organisation also quite actively and intensively invites external actors to take action (e.g. in the context of organising their own fundraising events, etc.).

Figure 3.1 shows selected, let us label them, performance indicators of *Médecins Sans Frontières* and their evolution between 2019 and 2022 (it is certainly worth bearing in mind here that this was a period affected by the pandemic crisis and the subsequent crisis related to the conflict in Ukraine). Although there has been a reduction in the total number of donors, the overall volume of contributions has increased between the two periods assessed, and quite significantly. The return on fundraising has also increased, with one crown contributed from fundraising in 2022 generating CZK 6.3 for the organisation's own target activities. The structure of donors is also changing, with an increasing proportion of regular donors. This can be perceived very positively, as it is the regular donors and their contributions that form a stable part of the organisation's resources and reduce the overall level of uncertainty and instability.



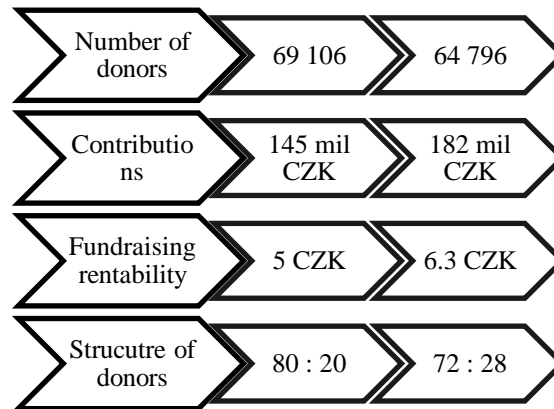
**Table 3.1: Check-list of used tools and strategies**

Area	Applied	Comment	
Web	Yes	News, information, opportunities for involvement or fundraising	Most actual events and affairs
Social networks	Yes	Facebook, Instagram, LinkedIn, X	Active communication - last post on fb in the last few days Link to current events
Fundraising appeals	Yes	Appeal on the web, social media and in outlets	Main share of contributions in support of projects and activities
Utilization and building of CRM	Yes	Regular donors with special status	Possibility of E-newsletter
Donor possibilities	Yes	Mainly in a virtual environment, including the use of QR codes	Opportunity to contribute directly to a specific project
Communication for fundraising	Yes	Web, social networks, examples of inspirational practice, storytelling, annual reports, targeted communication	Elimination of advertising and commerce, links to political actors
Realization and support of events	Yes	Own actions and projects of individuals and organisations	"How to organize a fundraising event?"

Source: Author

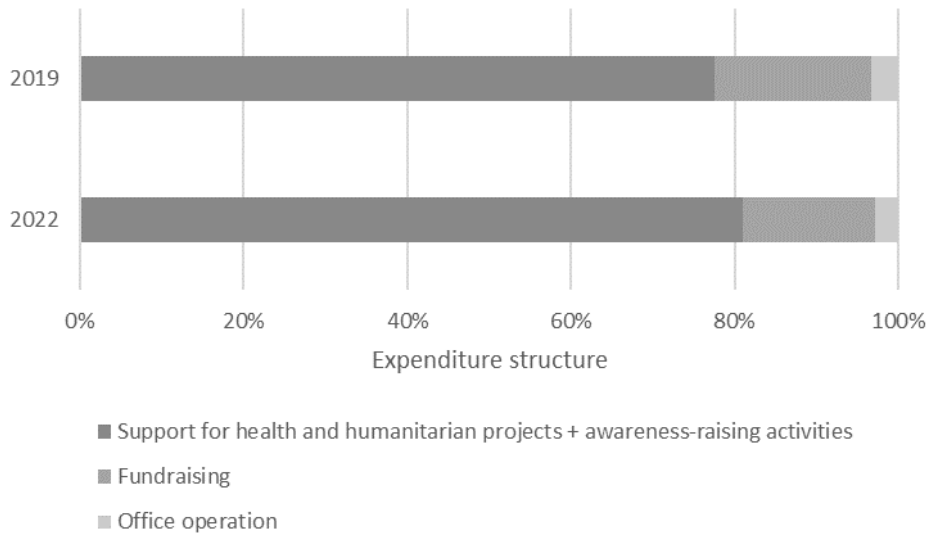
Let us now focus on the evaluation of the management of the funds of *Médecins Sans Frontières*. It can be seen that there is an overall increase in the proportion of funds that are project-linked and thus spent on specific humanitarian and health assistance and awareness-raising activities (more than 80% of the total budget in 2022) and a rather decreasing proportion of funds spent on fundraising (although there is a slight increase in absolute numbers between 2019 and 2022). The proportion spent on office operations remains broadly stable. Figure 3.2 provides an indication of the situation.

**Figure 3.1: Development of selected indicators between 2019 and 2022**



Source: Author based on annual reports Médecins Sans Frontières

**Figure 3.2: Structure of resource management**



Source: annual reports Médecins Sans Frontières

Tables 3.2 and 3.3 supplement the overall picture of the performance of *Médecins Sans Frontières* with the development of selected cost and revenue items. The item of personnel costs can be considered as significant, with a slight increase in purchases. On the income side, there was a significant decrease in sales and contributions received, while a relatively significant increase can be observed in the item other income. This item includes, among other things, movements in public collections, which has a reported impact on the accounting appropriations. Table 3.3 shows the actual movements in *Médecins Sans Frontières* two active public collections, which are intended to operate with funds for direct support to target groups and for the implementation of the organisation's own projects. Of note is the significant increase in the first public collection, which was driven by donor activity in the wake of the Ukraine conflict and several natural disasters.

**Table 3.2: Selected cost and income items; in thousands CZK**

Selected cost and income items	2019	2022
Costs	50 334	44 204
Purchases	9 936	10 383
Services	15 413	14 758
Personal costs	13 859	17 923
Returns	50 334	44 204
Revenues	18 973	860
Other returns	16 517	42 873
Contributions received	14 844	471

Source: annual reports Médecins Sans Frontières

**Table 3.3: Movements on public collections accounts; in thousands CZK**

PUBLIC COLLECTION 1			PUBLIC COLLECTION 2		
	2019	2022		2019	2022
Initial state	12 004	23 224	Initial state	660	1 256
Donations received	14 109	40 453	Donations received	1 064	212
Contributions pledged in a previous period that are paid in the current period	-8 121	-17 076	Contributions pledged in a previous period that are paid in the current period	-346	-522
Contributions pledged in the current period	13 373	-31 673	Contributions pledged in the current period	-1 011	-201
Collection management costs	-176	-315	Collection management costs	-8	0
Final balance	18 035	46 287	Final balance	1 370	946

Source: annual reports Médecins Sans Frontières

#### 4. Conclusion

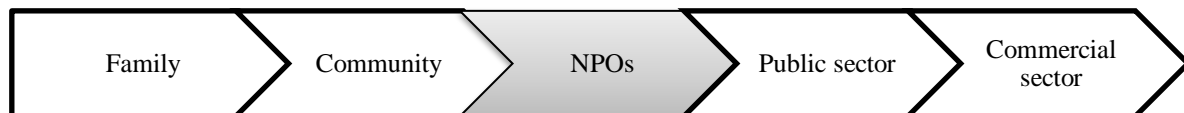
Finally, it would be appropriate to provide some reflection of the authors on the topic. Non-profit organizations are increasingly asserting themselves as entities with influence on the shaping and implementation of public policies and political actions, on the activation of society and on solidarity and belonging. Social media is becoming an increasingly powerful tool not only to support the funding of non-profit organizations, but

also to support the realization of the organizations' own goals, to publicize important issues, to make social appeals, to educate society and to forecast future developments. The importance of social media, ICT and virtual environments is not only evident in the developed world, but also in the developing world. The global significance of the topic at hand is therefore also reflected here.

- Despite the undeniable importance and social contribution of non-profit organizations, it is of course appropriate to ask and seek answers to questions such as:
  - What is the position of NPOs within the economy and society?
  - What is the actual degree of independence, autonomy and self-reliance of NPOs?
  - What is the future of NPOs and their funding?
  - How are topics selected for support by NPOs, who decides on prioritization?
  - Can and is it appropriate to use nonprofits to politicize and address social issues?
  - To what extent is the presentation and communication of NPOs on social media playing on emotions and is such perception relevant?

Although the questions raised can certainly be debated at length, it is the author's opinion that the NPO sector is indispensable for meeting the sub-interests and needs of the global society, especially in the case of various vulnerable or disadvantaged groups. This specific and unique position is illustrated in Figure C.1. NPOs can become influential players in public policies, mediating between actors (see also Vu et al., 2020).

**Figure C.1: The position of the non-profit sector in the system of society and economy**



Source: Author

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