UNIVERSITY OF TAMPERE
School of Management

PERFORMANCE MEASUREMENT IN NONPROFIT ORGANIZATIONS

QUALITATIVE EVALUATION RESEARCH OF CASE ESTHERS

Administrative Sciences
Master’s thesis
Autumn 2017
Supervisor: Lotta-Maria Sinervo

Noona Hennes

TABLE OF CONTENTS

ABSTRACT

University of Tampere School of Management

Author: HENNES, NOONA

Title: Performance Measurement in Nonprofit Organizations - Qualitative Evaluation Research of Case ESTHERS
Master's thesis: 77 pages, 3 appendices
Date: December 2017
Key words: Performance measurement, evaluation, outcome, nonprofit organization

Performance measurement is a topical issue around the world nowadays. The main objective of this study is to examine how performance can be measured in nonprofit organizations. The main objective of this study is divided into three research questions. This research aims to respond to how to measure performance in nonprofit organizations, how the outcomes can be measured in nonprofit organizations through performance measurement and how the outcome perspective of performance measurement helps the case organization to contribute to the change of the lives of the individuals. The aim of the study is to provide a more comprehensive picture of performance measurement in the nonprofit organizations as it uses various theoretical perspectives.

This study is a qualitative case study. The qualitative data was created through semi-structured interviews and action research. The empirical part of the study focuses on the performance measurement of the nonprofit organization in Brazil and the development of performance measurement in this case organization.

The theoretical framework of the research consists of two parts. The first part examines the concept of performance and the measurement of performance in the nonprofit organizations and further introduces the six dimensions of performance measurement in nonprofit organizations. The second part focuses on the measurement of performance from the perspective of outcome measuring, as it highlights the perspective of behavioral and environmental change.

Based on the results of the research, performance can be measured in nonprofit organizations using several different research methods. This study focused on the six different aspects of performance measurement, which can be used to define performance. These perspectives are: inputs, outputs, outcomes, public value achievement, network and institutional legitimacy, and organizational capacity. The outcomes were measured through the outcome perspective, using the behavioral and environmental point of view. The outcomes showed that the case organization's performance is effective. The three outcome measures used in the research, which are improved condition, increased skills and modified behavior, indicated that the participants' lives had encountered great changes after they had started to participate in the activities of the case organization.

TIIVISTELMÄ

Tampereen Yliopisto	Johtamiskorkeakoulu; julkinen talousjohtaminen
Tekijä:	HENNES, NOONA
Tutkielman nimi:	Tuloksellisuuden mittaaminen voittoa tavoittelemattomissa organisaatioissa – kvalitatiivinen evaluaatiotutkimus case ESTHERS.istä
Pro gradu -tutkielma:	77 sivua, 3 liitesivua
Aika:	Joulukuu 2017
Avainsanat:	Tuloksellisuusmittaus, arviointi, tulos, voittoa tavoittelematon organisaatio

Tuloksellisuuden mittaamisesta on tullut nykypäivänä ajankohtainen teema ympäri maailmaa. Tämän tutkimuksen päätavoite on tarkastella, miten tuloksellisuutta voidaan mitata voittoa tavoittelemattomissa organisaatioissa. Tutkimuksen päätavoite on jaettu kolmeen tutkimuskysymykseen, joiden avulla selvitetään mistä tuloksellisuuden mittaaminen voittoa tavoittelemattomissa organisaatioissa koostuu, kuinka mitata voittoa tavoittelemattomien organisaatioiden tuloksia tuloksellisuusmittauksen näkökulmasta sekä sitä, että kuinka tuloksellisuusmittauksen tulos -perspektiivi auttaa tapausorganisaatiota nuorten äitien sekä heidän lastensa elämän muutoksessa. Tutkimus pyrkii luomaan kokonaiskuvaa tuloksellisuuden mittaamisesta voittoa tavoittelemattomissa organisaatioissa hyödyntäen erilaisia teoreettisia näkökulmia.

Tämä tutkimus on laadullinen tapaustutkimus. Kvalitatiivinen aineisto luotiin sekä haastattelujen että toimintatutkimuksen avulla. Tutkimuksen empiirinen aineisto käsittelee Brasiliassa sijaitsevan voittoa tavoittelemattoman organisaation tuloksellisuuden mittausta sekä tuloksellisuusmittauksen kehittämistä kyseisessä organisaatiossa.

Tutkimuksen teoreettinen viitekehys muodostuu kahdesta osasta. Ensimmäisenä tutkimuksessa tarkastellaan tuloksellisuuden käsitettä sekä sen mittaamista voittoa tavoittelemattomissa organisaatioissa ja myöhemmin tutkimus esittelee kuusi eri tulosmittauksen näkökulmaa. Toisessa osassa käsitellään tuloksellisuuden mittausta tulosten näkökulmasta perehtyen ympäristöllisen sekä käytöksellisen muutoksen perspektiiviin.

Tutkimustulosten perusteella tuloksellisuutta voidaan mitata voittoa tavoittelemattomissa organisaatioissa useita eri tutkimusmenetelmiä käyttäen. Tässä tutkimuksessa otettiin huomioon tuloksellisuusmittauksen kuusi eri näkökulmaa, joiden avulla tuloksellisuutta voidaan määritellä voittoa tavoittelemattomissa organisaatioissa. Näitä näkökulmia ovat; panokset, tuotokset, tulokset, yhteiskunnallisen arvon saavuttaminen, verkostot ja institutionaalinen legitimiteetti, organisaatiokapasiteetti. Tulosten mittaus tapahtui tapausyksikössä käytöksellisen ja ympäristöllisen muutoksen näkökulmasta. Tämä tutkimus osoitti, että tapausorganisaation toiminta on tuloksellista. Tutkimuksessa käytettiin kolmea tulosmittaria, jotka olivat parantunut olotila, lisääntyneet taidot sekä käytökselliset muutokset. Nämä indikaattorit osoittivat, että osanottajien elämä oli muuttunut sen jälkeen, kun he olivat alkaneet osallistua tapausyksikön toimintoihin.

LIST OF FIGURES

LIST OF TABLES

1 INTRODUCTION

1.1 Nonprofit organizations in the world today

“Give the world the best you have and it may never be enough. Give it anyway.”
(Mother Theresa, 1910-1997)

The number of nonprofit organizations has increased steadily in last years. The third sector is vast and diverse all around the globe and there are multiple types of nonprofit organizations nowadays, “Ranging from neighborhood and community organizations with no assets and no employees to multibillion dollar foundations, universities and health care complexes with thousands of employees” (Hall 1994, 3). The nonprofit sector has continued to grow while providing critical social services and other acts of assistance (Baruch & Ramalho 2006, 43). These nonprofit organizations around the world are responding to public needs that cannot be met neither by governments nor by businesses. (McHargue 2003, 196).

An extensive spectrum of values, resources, mission areas and history are found in the nonprofit field around the world. These legal entities which function from the desire to make communities, cities, states, countries or the world a better place are generally founded for educational, charitable and civic purposes (Jones & Riley 2014, 39; Powell & Steinberg 2006, 365). The structure, size and programming of nonprofit organization can vary remarkably simply based on the mission and the purpose of the organization (Jones & Riley, 2014, 38).

Organizations that are not profit maximizing are mainly referred to as third sector organizations (Moxham 2009, 741), and therefore many of these nonprofit organizations around the globe rely strongly on external funding to make sure that they can continue their work and provide social services (Papadimitriou 2007; Jones & Riley 2014, 38). Unlike private organizations, nonprofit organizations’ goals are not creating profits and they will never simulate businesses that are able to measure their success solely based on economic terms because there is no profit maximizing focus. Instead of distributing its revenues to owners and stakeholders, nonprofit organizations use their surplus revenues to achieve their mission. A nonprofit organization’s revenue consists of the funds that are received from private donors, corporate donations, government grants, foundations and fees received for the delivery of programs and services.

(Sawhill & Williamson 2001; Baruch & Ramalho 2006, 43; Boland & Fowler 2000; Jones & Riley 2014, 39, 42; Powell & Steinberg 2006, 359.)

1.2 Performance Measurement in nonprofit organizations

Result oriented performance perspective is dominating the public and nonprofit sector. (Lee & Nowell 2014, 304). The language of performance has recently become more common especially in public sector organizations. It has even developed within the public sector to a greater extent as they have started to collect, repost and appraise on organizational performance. (Holloway 1999.)

Performance ensures an effective production of results while it keeps organizations relevant and active to society. Through performance in nonprofit organizations the challenges faced by communities and people are connected to agency programs and policies. Performance increases public trust in nonprofit organizations because it helps agencies to contribute to the welfare of the society. (Berman 2006, 3-4.) Performance is an interaction among the organization's leaders, clients and many other stakeholders (Herman & Renz 2002, 10). It stands for efficient and effective use of resources for the achievement of results (Berman 2006, 22) and it can be obtained through performance management and performance measurement.

Both performance management and measurement aim to reduce costs, develop effectiveness and sustain equity (Poister et al. 2014, 11). However, there is a difference between performance management and performance measurement, and therefore it is necessary to explain the meaning of performance management. Radnor and Barnes (2007, 393) explain the difference between performance measurement and management accordingly: ”Performance measurement is quantifying, either quantitatively and qualitatively, the input, the output or level of activity of an event or process. Performance management in action, based on performance measures and reporting, which results in improvements in behavior, motivation and process that promotes innovation.” Plainly explained, performance management exists for the achievement of public purposes and it has become an aim of many nongovernmental organizations. As a function performance management is interested in organizations' results through the use of performance data. (Poister et al. 2014, 3-4.)

Nowadays there exists a broader concept of government which also includes the fact that third parties, such as nonprofit organizations and other levels of governments, are also delivering public goods and services (Fredrickson & Fredrickson 2006 in Poister et al. 2014, 4). There have been numerous efforts of reforms to make government administration and agreements less political. These rational-oriented reform attempts are seen, for example, in performance measurement, strategic planning, program evaluation (Poister et al. 2014, 7) and data analytics. These efforts are used for the improvement of public and nonprofit programs as they are used to enhance learning and improve performance (Newcomer & Brass 2016, 82.)

Jones & Riley (2014, 41-43) conclude that the optimal success in nonprofit organizations is gained through high-performance measurement. Thus, it has been noticed that organizational unawareness about whether they are reaching desired results or just maintaining their status quo exists within many nonprofit organizations. According to Behn (2003), performance measurement is used for many purposes such as evaluating, motivating, promoting, controlling, budgeting, celebrating and improving, which are the eight managerial purposes of performance measurement. Performance measurement is a valuable tool in the hand of any organization when used correctly; it benefits the managerial purposes of an organization (Poister et al. 2014, 3-4) and it can be used for internal learning within the organization (Newcomer & Bass 2010, 85).Performance measurement analytics together with well-coordinated and strategic evaluation approach seem to improve performance data and organizational learning (Newcomer & Bass 2016, 90).

1.3 Problem setting and research questions

The concept of nonprofit organizational performance has been seen as somewhat ambiguous, disputed and difficult to grasp. The pressure for conceptualizing performance in nonprofit organizations is growing, and the importance of rationalizing their processes and norms is increasing speedily (Cutt & Murray, 2000), but defining performance in a single measure is considered challenging within the nonprofit sector. The bottom line for measuring and conceptualizing performance measurement simply has not been found yet. (Cutt & Murray 2000, 237; Boland & Fowler, 2000.) The recent theoretical study views and empirical studies have been reducing the viability of one single criterion. Even though researchers from all over the world have been interested in studying organizational performance, the effectiveness-related literature seems to be in disunity (Papadimitriou 2007). Moxham (2009, 740-741) also notes that the design of nonprofit measurement systems has not received enough attention. The nonprofit literature has a lack of consensus on criteria that should be used to measure performance. The design of performance measurement systems is limited, but the studies have shown that just as measuring the performance of the private and the public sector is possible, the use of performance measurement systems in the nonprofit sector is also possible. However, there are many times opportunities to get reasonable, short-term outcomes that reflect the effectiveness of a nonprofit organization. (Cutt & Murray, 2000, 237.) Papadimitriou (2007) notes though that the topic of organizational performance in nonprofit organizations is widely discussed around the globe. The implementation of different performance measurement systems has gained more interest in the recent years in public and nonprofit organizations (Boland & Fowler 2000). Further research is relevant to gain more knowledge on this field of study and to bring about new perspectives as well.

Second, performance measurement has received much attention in the last years, but there are only a few attempts recorded in the research for providing a framework that is fitting to the nonprofit sector to monitor and enhance their performance. However, there have been attempts to develop one common framework for both public and nonprofit organizations (Micheli & Kennerley 2005, 125). The focus of performance measurement literature for the last 30 years has tried to develop integrated, balanced and strategic performance measures. Certain balanced frameworks have been created to alleviate a balanced view of business. (Bititci et al. 2005.) Performance measurement literature is focused on performance measuring as the organization’s managerial activity. Performance measurement’s practices, use and motivation are also included into the literature. (Behn, 2003; Jääskeläinen & Sillanpää 2014, 4.)

This study consists of two parts; a theoretical research and an empirical research. The theoretical part of the study seeks to find out how nonprofit organizations manage their performance measurement, and the empirical part of the research aims to find out how performance measurement can be measured through an outcome perspective which evaluates the outcomes of a nonprofit organization. The research focuses on the activities of a case nonprofit organization evaluating how the organization is succeeding in contributing to the transformation of children's and young mothers´ lives, which is also the starting point of the evaluation in this research. It also pursues to open new possibilities to understand nonprofit organizational measurement and to show relevance on the studies that have been made before of this topic. This thesis aims to gain a deep understanding of this topic. The aim of this study is to force an in-depth understanding of nonprofit organizational performance measuring and it seeks to answer how performance measurement can be used as a method to find out outcomes in the lives of individuals participating in the function of a nonprofit organization.

The research question in this study will be:

1. What does a nonprofit organizations’ performance measurement consist of?

2a. How do nonprofit organizations evaluate their outcomes through performance measurement?

2b. Through the use of performance measurement’s outcome perspective, how has the case organization contributed to the change and transformation of the lives of young mothers and their children?

The research also aims to produce information, describe and analyze organizational performance in nonprofit organizations. The case study aims to increase the knowledge on nonprofit organizational performance measurement. The third research problem in this study, concerning the operation of a Brazilian nonprofit organization contributing to the lives of young mothers and their daughters, guided the choice of research methods and techniques. Case study as a research seeks to describe, understand, anticipate and control the individual or group (i.e. household, organization, group, person, industry). Investigating to answer specific research questions is considered as a main feature of a case study. A case study is either focused on an individual or multiple cases. It seeks different kind of evidence which has to be abstracted and gathered accurately to answer the research questions in the best possible way. One of the key characteristics in case study research is the use of various sources of evidence. (Gillham 2000, 1; Woodside 2010, 1-2.) Furthermore, the study will be looking at the management of the change and everyday life from the women’s and children’s perspectives. As indicated by the research questions, the focus remains on the children and women participating at the case organization. The focus will be kept on the research questions, which will also prevent the researcher from becoming distracted by unrelated issues (Corbin & Strauss 2012, 8). Instead of focusing on the staff, the volunteers or other stakeholders, the research will be describing and analyzing nonprofit performance measurement from the participant’s point of view, which in this case will be the mothers and daughters participating in the case organization. There are various models and forms of describing and analyzing organizational performance in nonprofit organizations.

This study is not focused on the financial aspects of performance measuring, which would require quantitative methods, but on the change and structures that are seen in the everyday lives of the participants of a nonprofit organization. For this reason, the qualitative research method can be considered as the best way of accomplishing the study, since qualitative research is carried out through intense and/or extended contact with a field situation and these situations are commonly normal and reflective of the everyday life of individuals, groups, societies or organizations. (Miles & Huberman 1994, 11.) Because the choice of the study was qualitative, this research will not be explaining, describing or analyzing performance measurement from a quantitative point of view. As Corbin and Strauss (2008, 13) note, through a qualitative study the researchers may get at the inner experience of the participants. It also allows the researchers to determine how meanings are being formed within a culture and it enables them to discover rather than investigate variables.

The targets of the evaluation are the conducts of the case organization and the changes in the lives of the mothers and their children participating in the case organization's activities. According to Virtanen (2007, 156) there needs to be substantial evaluation questions in order to bring about the information that is required. One of the main ways to evaluate ESTHERS's performance is to measure their success in reaching the required outcomes in the nonprofit organization through the circumstances and lives that have changed for the better, which will also reveal the reached outcomes. The organization's mission should reveal the required outcomes. The mission statements of the case organizations are written in the chapter 2.2.6 – Case ESTHERS.

2 CONDUCTING THE RESEARCH

2.1 Research philosophy

All research activities are based on philosophical perspectives, whether implicitly or explicitly (Bryman & Bell, 2007). In the philosophy of social sciences, ontology, epistemology and methodology are known as the main concepts (Eriksson & Kovalainen 2008, 12). Ontology is known for rising “basic questions about the nature of reality and the nature of the human being in the world” (Denzin & Lincoln, 2005 183). Epistemology is known as a study of knowledge as it aims to make meaningful sense of the world (Annells, 1996; Crotty, 1998 in Levers 2013, 2). Methodology contains the selection of methods and research designs (Sillanpää 2016, 33).

2.2 Research strategy

Multiple methodological considerations can affect choices of the researcher while conducting the research. The focus of the research questions in this study aim to find solutions to real-life problems and seek to integrate different perspectives on data interpreting. Different method designs are used in this research, and therefore the research philosophy in this study is recognized as presenting pragmatism. (Saunders et al. 2009, 119; Sillanpää 2016, 46.) During the research process there is a need for relevant theoretical background. An abductive approach characterizes this kind of research approach, since there exists a continual interplay of theory and empirical observations in an abductive research approach. (Dubois & Gadde, 2002). An abductive approach is also used in this study.

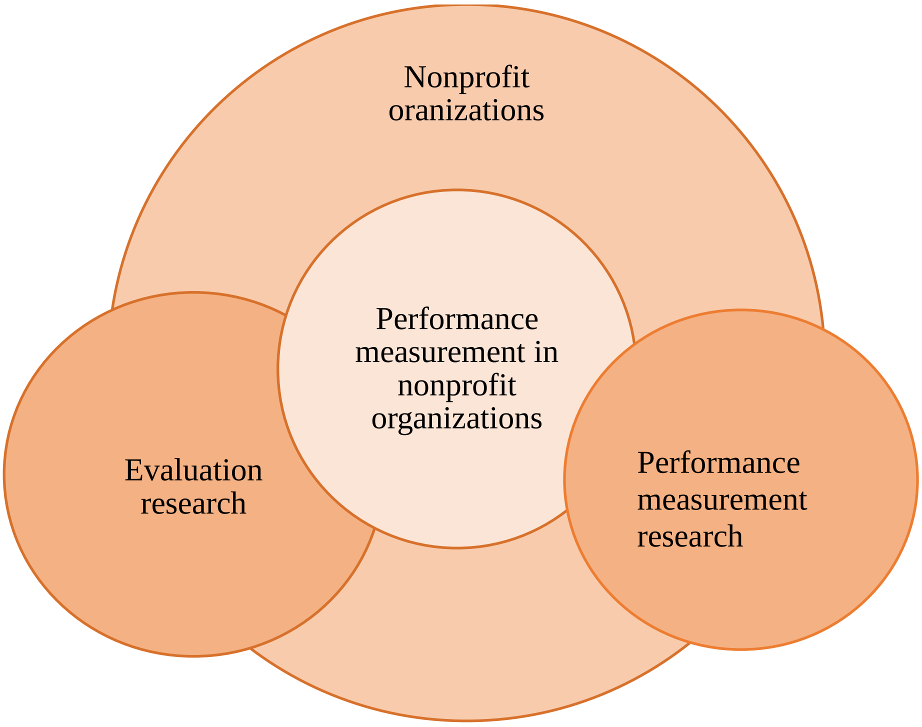

Figure 1. Positioning of the study.

As a strategy of the research, this study will use evaluation research as a method and the needed data for this research will be collected through participant observation and semi-structured interviews. The research interest of this study is knowledge applied in the nonprofit organizational field. The study will use previous research findings in Finnish and international literature, document analysis, theme-interviews and participant observation as a method of data collection and the source of information in the field. The research method was chosen based on the field work, which will allow the interviews of the mothers and the children to be done in a familiar atmosphere. Also, including participant observation into the study will be possible because of the fieldwork. Researching the effectiveness of the case nonprofit organization would be fairly difficult unless there were a possibility for observing the lives of the mothers and their daughters and reporting it anonymously through participant observation.

This study is focused on examining organizational measurement in nonprofit organizations and specifically in the case organization. This study is going to be solely focused on performance measurement in nonprofit organizations without describing and analyzing effectiveness evaluation through performance measurement in organizations that keep profit making as their goal. The research will be made only from third sector organizations' points of view, focusing on the change and transformation of the participants' lives in the case study. For this reason, performance measurement in private sector is left out of this study. Also, performance management is a wide concept, and therefore this study will be only focused on performance measurement in nonprofit organizations.

2.2.1 Theoretical framework

The theoretical framework of this thesis is divided into two categories. The first part explains the concept of performance measurement in nonprofit organizations and further explains the six perspectives of nonprofit organization performance measuring; *inputs, outputs, outcomes, public value accomplishment, organizational networks and institutional legitimacy* and *organizational capacity*. Based on the outcome perspective of performance measurement, this study focuses on nonprofit organization outcome measuring. The second part focuses on examining the structure, development and use of *outcomes* in nonprofit organizations from the perspective of *behavioral environmental and changes*. The literature review focused on the design of nonprofit performance measurement systems. The basis of empirical research is illustrated in Figure 3.

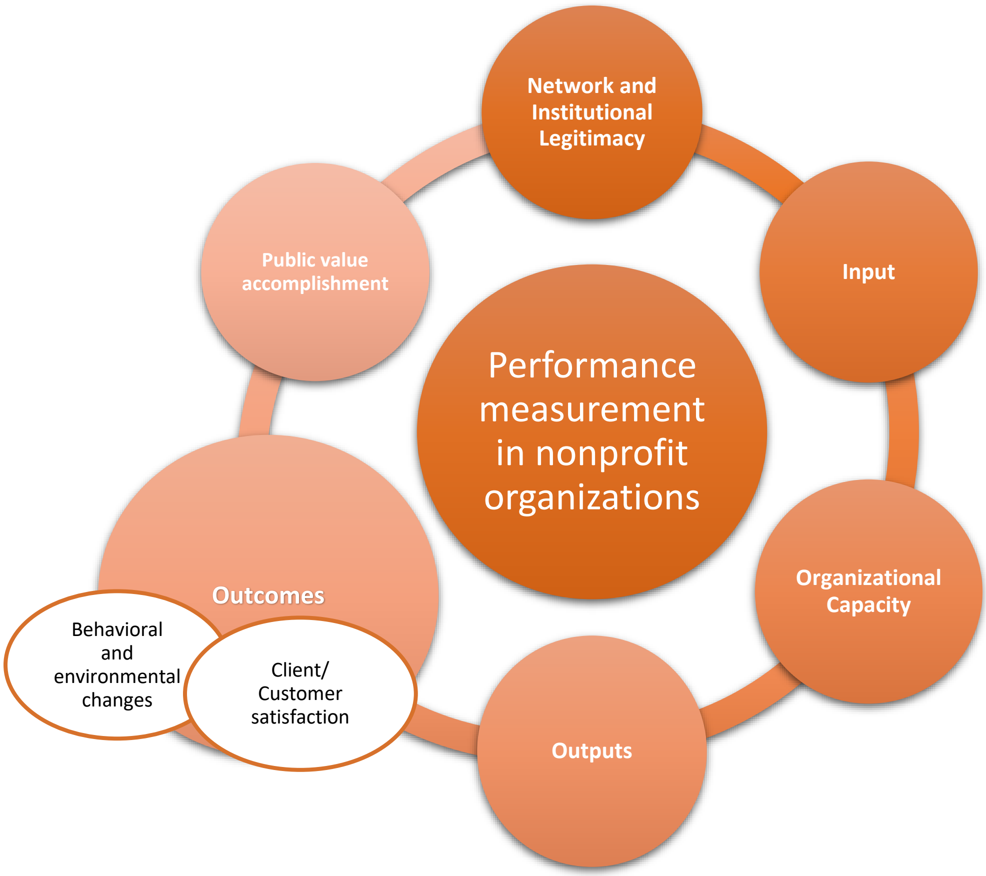

Figure 2. Synthesis of theoretical framework.

The previous literature about performance measurement in nonprofit organizations focuses on seven different dimensions. These six dimensions establish the basis for nonprofit organizational performance measuring, within which stakeholders can negotiate and create different forms of performance measurement systems for nonprofit organizations.

2.2.2 Qualitative methodology

Qualitative research methodologies have been predominating the inquiries on nonprofit organizational measurement. The measurement of outcomes focuses on qualitative results. The positive effects of a program are the focus of outcome measuring. Activities organized by a nonprofit organization result in benefits for the intended beneficiaries. There are two ways to measure outcomes: first, they can be measured as internal through the achievement of the organization's mission and chosen objectives. Second, they can be measured as external through client or user satisfaction. (Bagnoli & Megali 2009, 157; Lee & Nowell 2015.) According to Bagnoli and Megali (2009, 157) one of the ways for outcome evaluating can be done through the improvement of life prospects. A qualitative approach is useful when the goal is adding knowledge or understanding about phenomena with definite prior knowledge. Also, when the research problem is focused on organizations, groups and individuals a qualitative research approach is considered suitable. (Ghauri & Grønhaug 2005, 110-111; Gummesson, 2000). Qualitative research is many times used in behavioral and social sciences, but nowadays it is also seen widely in management research. (Gummesson 2000; Voss et al. 2002).

2.2.3 Evaluation research

The choice of research method needs to be made based on what the study aims to resolve. The method that will work the best for a specific task cannot be predetermined. This pragmatic argument is suggesting that the nature of the research phenomenon should define the most relevant method of study. (Silverman 2005, 6.)

Clarke (1999, 2) notes, that "Evaluation research is a form of applied research which aims to produce information about the implementation, operation and ultimate effectiveness of policies and programs designed to bring about change." As mentioned earlier, this study will use evaluation research as a method. According to Polit and Beck (2014) and Clarke (2011, 4) evaluation research aims to find out how well a program, practice or a policy is working and it is concerned with whether social programs or planned interventions are working and, therefore it is a good option for this study's method. This study intends to recognize whether the case nonprofit organization's activities and programs are succeeding and working through the evaluation of the young women's and children's lives.

Evaluation is a unique form of doing social research. It mainly engages in the determining of worth, merit or value of an established practice or intervention that is planned. As its focus, evaluation is many times providing practical knowledge and help the decision-making process, and therefore it has also been seen as a type of policy research. It has been said by many throughout the evaluation community that the roots of evaluation are deeply ingrained within the social sciences. However, it has not been accepted by all theorists that evaluation can be the dominant paradigm in social services. (Clarke 2011, 3-4.) According to Rossi and Freeman (1993, 5), evaluation research can be considered as the systematic application of social research procedures. It is to be used for assessing the conceptualization, implementation, and utility of social intervention programs. Program evaluation consists of the collection of information about improving effectiveness, activities, characteristics and outcomes of programs to reduce uncertainties. (Patton 1986, 14.) Also, multiple models of economic evaluation can be used for determine different service programs (Rossi et al., 2004). Evaluation is presented as a model of applied social research. The main purpose of evaluation isn't discovering new knowledge and unlike basic research that seeks to discover new knowledge, it aims to study the effectiveness with existing knowledge that is being used for informing and guiding practical action. (Clarke 1999.)

There are four recognized evaluation strategies; scientific-experimental models, management oriented systems models, qualitative/anthropological models and participants-oriented models. Scientific-experimental models are known as historically dominant evaluation strategies. (Trochim, 2006.) This research will use the third evaluation strategy which is the qualitative model. It emphasizes the importance of observation and the need of retaining the phenomenological quality of the evaluation context. Also, the value of subjective human interpretation is seen necessary in the evaluation process. (Trochim, 2006.)

Evaluation can be carried out either as an internal evaluation or an external evaluation. Internal evaluation is done by the personnel of the organization. External evaluation is carried out from the outside of the organization. Since the observer has been a staff member of the organization, this study will be done as an internal evaluation. As Shapiron (2002) notes, the benefits of an internal evaluation are the researcher's familiarity with the activities, goals and prevalent culture of the organization. Internal evaluation also contributes to the self-evaluation, monitoring of the function, is more approachable to the stakeholders and is inexpensive to implement. On the other hand, internal evaluator may not be able to evaluate the operations of the organization objectively enough, he or she might not have enough skills to carry out the evaluation, the evaluation might take too much time or it can be implemented rigidly. (Shapiro 2002; Virtanen 2007, 193.) In a learning organization, self-evaluation can be seen as an integral part. It is essential to evaluate on which level (individual, working community, organization) the evaluation needs to be carried out for the sake of usefulness in terms of the organization's motives. The forms of evaluation are, for example, bench-marking, SWOT analysis, Balanced Scorecard and strategy map. The advantages of an external evaluation are in the activity's objectivity. Also, the competence of an external evaluation and the credibility of an evaluation are the strengths of an external evaluation. The challenges of an external evaluation are understanding the organizational culture, misunderstanding things and that the actors can experience the evaluator as a threat. An external evaluation will also bring additional costs to the costs to the operations. (Virtanen 2007, 177-178.)

A process can be evaluated through the research and the goal of most evaluations is to provide "useful feedback" to different audiences including sponsors, client-groups, staff and other stakeholders. Feedback can be considered useful when it helps in decision-making. The general opinion of the goal of evaluation should be influencing decision-making or policy formulation through feedback that is empirically-driven. (Trochim, 2006.) Evaluation research was chosen for the study because of the usefulness and utility in qualitative studies, and as a method evaluation research can bring about the information that is needed for the study to respond to the research question. (Toivanen 1999, 13.) Behind the choosing of the research method for this study is the expectation and understanding of the participants' valuable information on the effectiveness of the case nonprofit organization. Theme interviews and participant observation were chosen for methods of collecting the empirical data in this inquiry. Many long and profound conversations with the founder and staff of ESTHERS working with the girls and mothers helped with the understanding and describing of the approach used at ESTHERS. (See Table 1 and Table 2.)

As Patton (1994, 7) notes, qualitative evaluation offers reliable partial solutions to problems of outcome evaluation, which makes qualitative evaluation a valid research method in this research. This research method also helps the study to avoid “sentimental failures to problematize its own analysis and solutions” (Patton 1994, 7). The methodological approach of the research follows a descriptive evaluation study. The aim is to investigate the activities of ESTHERS and to look to their consequences. The aim of qualitative evaluation is to understand the current situations and present proposals for the development of the situation. (Syrjälä & Numminen 1988, 40-45.) The purpose of the evaluation in this study is to gather information about the evaluation situation of which the interested stakeholders can critically discuss. (Syrjälä et al. 1994, 16-18.) The study aims to get into the world of the research topic and report on the outcomes through nonprofit performance measurement. This evaluation research tries to give practical improvement suggestions. Instead of emphasizing generalizability of the case study, the research highlights the usefulness of the results. (Syrjälä et al. 1994, 16-18.)

This evaluation will be done as an action research which means that it is qualitative and participative. The aims of this type of research are achieving both action and research outcomes through one single research. (Dick 2001, 2-4.) While trying to performance measurement solutions with a participating organization, this pragmatic approach can be applied. Action research seeks to solve a practical problem as well as learn from outcomes. This method was chosen because it opens a door for real-life situation and data. The researcher is actively involved in the design process as a facilitator. This type of approach seeks to relate to providing more scientific knowledge. Action research uses scientific knowledge to resolve organizational issues so it isn’t a research about action but rather a research in action. (Sillanpää 2016, 49-50; Gummesson 2000, 172.) To summarize action research, it is an approach that happens in action as the researcher engages with the practitioners of the organization. In this research action research was carried out as a form of fieldwork through participant observation done in the community. Evaluation’s viewpoint in this research is focused on the individual organization level which is in this case study nonprofit organization ESTHERS.

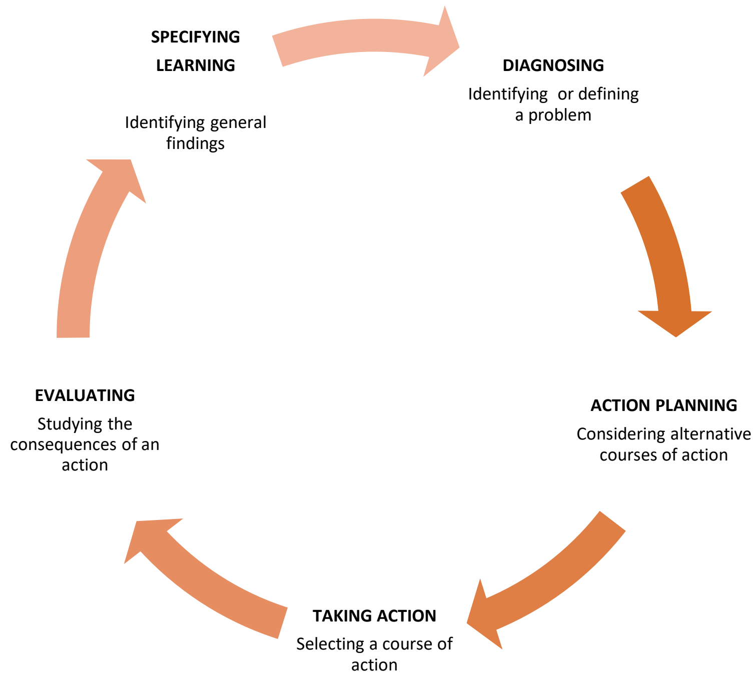

Figure 3. Action Research Model. (Adapted from Susman 1983.)

Action research includes five phases; diagnosing, action planning, action taking, evaluation and specified learning. The problem is diagnosed which leads the organization to consider alternative courses of action. Thereafter the organization takes action to desired direction. Evaluation follows which enables the organization to identify general findings. (Susman 1983.)

2.2.4 Interview and semi-structured interview

Interviews along with the participant observation are the main way of collecting empirical data in this research. This research contains eight semi-structured interviews (See Appendix 2 and Appendix 3). Interviews are considered as purposeful discussions between two or more people. It is possible to divide interviews into different categories. These categories are structured, semi-structured and unstructured interviews. Semi-structured interviews require a set of themes and questions that are prepared beforehand, but the questions may vary based on the flexibility of the semi-structured interview method. (Saunders et al. 2009, 318.) The interviews in this study will be done as semi-structured interviews, and they are all individual face-to-face conversations.

The semi-structured interview was chosen because it opens a door to hear the perceptions and opinions of respondents regarding complex and sometimes even sensitive issues. As a method, it also opens a chance for more information and clarification of answers. The questions are a pre-determined set of open questions. This way the interviewer also has an opportunity to explore particular themes or responses further. Unlike a structured questionnaire, semi-structured interview does not limit respondents to a set of pre-determined answers. This interview method is suitable for the inquiry because it seeks to understand how interventions work and how to improve them.

This type of an interview offers an opportunity to develop a special point of view in detail amongst the interview partners. The focus is on the individual even more strongly than in a group session. This type of interview also focuses more on the individual's experiences and opinions concerning the topic. There has to be an open conversation established during the interview. The interview will be recorded on tape since it will later be transcribed word for word. (Schorn, 2000.) The inquiry participants should be chosen carefully to get the most relevant interview results. The interviewees need to be chosen in accordance with who will bring forth the most information from the chosen topic. (Schorn 2000.)

The selection and execution of the interviewees in the interview will be based on four factors. First, it is required that both the mother and the daughter are actively involved at ESTHERS. Second, their commitment to ESTHERS has been over a year. Third, the mothers have agreed to participate the activities of ESTHERS. Fourth, the daughters are at least 10 years old or turning 10 within a year.

In order to obtain a holistic perspective of ESTHERS's effectiveness amongst the young mothers and their daughters, the amount of interviewees is be eight. This includes four mothers and their daughters that are all participants at ESTHERS The mothers are actively working at ESTHERS, they have been given a possibility to work from home or they have been given a possibility to participate in the activities of ESTHERS. Their daughters participate in the activities of ESTHERS four days per week, four hours each day.

All the interviews were recorded digitally and transcribed verbatim. In addition to the interviews, participant observation in the field, including the web sites of the case organization and other documents received on the organization's function were examined to corroborate the transcribed data to ensure validity. (Table 1. Participants of the study.)

Table 1. Participants of the study.

Participant	Age	Residence	Location	Duration	Field work /Participant observation
1	38	ESTHERS	Vera Cruz	43 min	Home
2	9	ESTHERS	Vera Cruz	25 min	Home
3	32	ESTHERS	Vera Cruz	1 hr	Home
4	11	ESTHERS	Vera Cruz	19 min	Home
5	28	ESTHERS	Vera Cruz	41 min	Community
6	13	ESTHERS	Vera Cruz	20 min	Community
7	34	Home	Vera Cruz	34 min	Home
8	12	Home	Vera Cruz	15 min	Home

2.2.5 Participant observation

Participant observation as an information gathering method has experienced a rapid growth in the recent years. Participant observation as a data collecting method is used especially in ethnographic studies (Kawulich, 2005). Several advantages can be found from participant observation, which is considered an analytic tool but also a form of data collection. Some of the benefits of participant observation are enhancing the quality of the analysis of data and quality of interpretation of data that is gained during the fieldwork. (DeWalt & DeWalt 2010, 13.) Schensul et al. (1999, 91) describe participant observation as a learning method which includes the observation of day-to-day routines or participant's activities.

Anttila (1996, 218-224) concludes that participant observation is either *active* or *passive.* In *active* participant observation the researcher actively influences the phenomenon under enquiry with his/her presence and participates in almost everything that other people are doing (DeWalt & DeWalt 2010, 12, 30). In these kinds of situations, the researcher can be involved in a development work, project or in a similar situation as an active actor. Unlike an active participant, in *passive* participant observation the researcher attends the situations which require observing, but the researcher is not influencing the natural course of the situations (DeWalt & DeWalt 2010, 12, 30.) In both cases, the researcher must be able to examine his/her own role and its potential impact on the research situation. In participant observation, the researcher joins the daily activities, rituals, interactions and events of a group of people. This way the researcher is able to observe the accurate and explicit routines of their life routines and their culture. (Anttila 1996, 218-224.) DeWalt & DeWalt (2010, 30) note that *moderate* participation happens when the observer is present in the scene, but as an identifiable researcher but is not actively participating with people in it even though there could be occasional interactions. This level of participation includes a very limited and structured observation. Lastly, there is a form of *complete* participation where the observer becomes a member of the group that is being studied.

During the field observation a researcher is present in the role of two persons; as a participant and as a behavior observer. Depending on the situation the researcher participates in the situation more or less actively. The researcher's presence is most likely recognized by all and therefore he/she cannot be completely an outsider of the group. In participant observation the researcher can observe the situations, first, holistically and then little by little get into the details. (Anttila 1996, 218-224.) It is fairly essential that the examined people group will get used to the researcher to the extent that his/her presence does not seem unnatural to them. The researcher must be aware of respecting the practices of the group that is being researched and not interfere them in any way. Eskola & Suoranta (1998, 102-103) conclude that as an activity, observation is very subjective and selective. There are various problems that can be recognized due to the researcher. Someone might draw attention to a problem that the other one would not have even noticed. Expectations and the previous experiences also influence the attention of the observer.

The goal of participant observation in this study is to take into consideration those things which have not been fully taken into consideration while making the interviews such as participants' attitudes, the ambiance and experience, which are impactful to gain a successful process. For example, observation is suitable for development projects that target the interaction between one another. (Ojasalo etc. 2009, 103) DeWlat & DeWalt (2010) suggest, that the validity of the study increases through participant observation when additional strategies such as interviewing or questionnaires are used. Bernard (1994, 142-143) lists participant observation as being sometimes the only way for right data gathering. As an information collecting method it helps the researcher to understand more of what is happening in the culture and being on site helps the researcher to be familiar with the community.

There are several methods that are suitable for the general category of qualitative research and participant observation is considered as one of them. Qualitative research aims to understand the nature of a phenomena and participant observation can be seen as just one of the methods that is taken into use to achieve this kind of comprehension. Participant observation seeks to collect data in naturalistic settings by participating in the ordinary and uncommon activities of the people being studied. Participant observation includes the making of field notes and analytic notes. This research will use them as a method to collect information. It is also required that the observer is able to speak the same language with the people group which is being observed. (DeWalt & DeWalt 2010, 12; 21; 57).

The fieldwork is necessary to gain understanding of the processes of social life and social scientific knowledge. It also enables one to understand the communities with whom the observer is working with. The fieldwork experience is gained through participating and observing the people group. Participant observation requires explicit recording and analysis. (DeWalt & DeWalt 2010, 13.) It is necessary to recognize the importance of accuracy of observation, as the participant observation's quality highly depends on the researcher's skills to observe and make important field notes. (Schensul et al. 1999, sivu? katso sivu 95). The researcher's presence in the culture and the community makes a difference in the quality of the inquiry (Kawulich 2005).

The people group under observation is familiar with the researcher and aware of the research being done through participant observation. They were aware of the ethical responsibility of the researcher, which meant that all the observations, field notes and interviews were kept anonymous. Individual identities were described in a way that they could not be recognized by community members. A letter of information was given to all the people participating the study (See Appendix 1). The field notes aimed to give responses to a set of questions (see Table 5). The observer had learned Portuguese and was able to do observation through effective communication in the local setting despite of the regional and local differences in language. Interest in the community is also shown through the fluent language skill (Bernard 1994, 145). The observer has lived nearby the case community for two years and has established relationships with the participants. The researcher determined her own role while doing the study. The data capturing happened primarily through field notes and semi-structured interviews. Informal conversations with the people group being observed were included into data capturing (Kawulich 2005). The participant observation included two phases: first, it was done through the semi-structured interviews; second, the observation continued through home visits. As noted in Table 2, one of the daughters was not able to be a part of the fieldwork observation as she was at school.

Participant observation in this inquiry was accomplished through semi-structured interviews and field observation aiming to respond to a set of questions (Table 5). During the field work, the participant observation will be done from a perspective of an active observer and it will be mainly indirect; the participants are aware of the observation being done and they know that there are notes being taken during the field observation. The people chosen for the semi-structured interviews will do the interviews individually with the observer and another person. The researcher's role in this enquiry is considered an "observer as participant". She participated the group activities and the group was well aware of the research. The researcher was more interested in observing others than participation in the group, as she was trying to gain a better understanding of the group (Kawulich 2005).

Table 2. Fieldwork observation.

Participants present	Age	Location	Date	Time
Mother	38	Home	03/11/2017	16.00
Mother Daughter	28 13	Community	05/11/2017	13.30
Mother Daughter	32 11	Home	05/11/2017	15.15
Mother Daughter	34 12	Home	11/09/2017	11.00

2.2.6 Case ESTHERS

This research will be done as a case study, since the purpose of this research is to evaluate the case organization's outcomes through performance measurement and to find out the detailed structures of evaluation in the present moment. Common sources of evidence in case studies consist of interviews, participant observation, various types of documentation and other archival records, which also are the main data collection methods in this research (Yin 2009, 101). It is possible to investigate natural situations that cannot be controlled through a case study. The results can be collected and understood more profoundly through the case study. The purpose is to evaluate the situation and try to find explanations as to whether the outcome evaluation can improve the performance measuring of the nonprofit organization. The target of the case study is to focus on the evaluation process itself, not only on the results (Syrjälä et al. 1994, 10-15.)

ESTHERS provides a prevention program that fights the causes of sexual exploitation and child prostitution with girls between the ages of four and eighteen. ESTHERS uses a holistic approach to strengthen the lives of girls and young mothers. They use physical, spiritual, academical, emotional, social and psychological approaches to restore the lives of these individuals. This program provides each person with academic tutoring, training in the arts balanced nutrition, spiritual development, healthcare when needed, and group counseling. The case nonprofit organization’s desire is to equip young mothers with a business plan to provide sustainable income through professional training in sewing and painting. Their goal also is to strengthen young girls and families with a Biblical foundation. They train young girls on what exploitation and trafficking are, the risk of it in their community, how to prevent it from happening to them. ESTHERS also provides a safe place for them to go to for help. They desire to see healing in the lives of young women and girls through using a holistic approach by using arts, professional counseling and giving unconditional love to these girls. ESTHERS educates young girls through math tutoring, literacy training, English classes and they also offer an opportunity to apply for private school scholarships and international exchange programs. They are able to provide them the privilege to be among the first in their family or community to graduate from high school. ESTHERS aims to restore the girls’ lost childhoods and their broken families through their consistent help and presence in the community of Vera Cruz. ESTHERS desires to send young women into society with a spiritual and academic foundation to be a catalyst for change by raising their families out of extreme poverty and developing safe and non-violent social norms in their community. (ESTHERS 2013.) The mission statement of ESTHERS for the girls’ ministry is “to End Sex Trafficking for HER.” Their mission is “preventing sexual exploitation, child prostitution and restoring its innocent victims in an environment where they can learn to love and be loved.” The mothers’ ministry’s mission statement is “Weaving threads of sustainability.”

2.3 Data Analysis

Data analysis consists of categorizing, examining, testing or another way of arranging evidence for creating empirically based conclusions (Yin 2006, 129). Data collection and data analysis in a qualitative research are seen as an interactive process. As this qualitative data is analyzed, it brings forth new questions and additional data collection (Ghauri et al. 2005, 203).

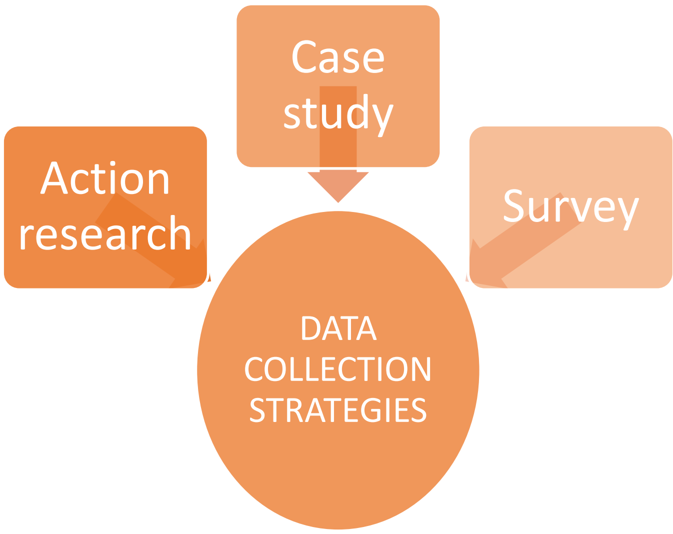

Figure 3. Data collection strategies.

Interviews which were included into this study are semi-structured interviews. The interview themes are based on research questions. The answers which were gotten from the interviews were categorized according to the literature reviews. The data which was collected from the interviews was categorized in one chart according to the interview themes. Common themes were recognized in the collected data and identified accordingly. This compact form of data display helped the researcher to identify the common themes.

Each fieldwork situation was analyzed separately. After each participant observation the researcher analyzed the notes and made summaries of the fieldwork situations. When a research is done as a case study, it is possible to use various data collection methods (Gummesson 2000.)

3 PERFORMANCE MEASUREMENT IN NONPROFIT ORGANIZATIONS

3.1 The concept of a nonprofit organization

Governments all over the world try to respond to the society's needs. Thus, many governments are unable to respond to all the needs and competing demands they face. Therefore, the nonprofit sector helps to fill these gaps and provide the needed services. (Bussin 2013, 12.) The needs that are not being met by the state and market are produced by the nonprofit organization as collective goods. (Powell & Steinberg 2006, 357.)

Just as the nonprofit sector has numerous names such as the third sector, the voluntary sector, the philanthropic sector, the social sector and the independent sector (Board Source 2010, 3), the nonprofit organizations also have different terms like nongovernmental organizations, civil society organizations or social enterprises (Moxham 2009, 741; Board Source 2010, 3).

The differences between public and nonprofit sector are a lot less clear than when compared to the private sector (Moxham 2009, 741). It is impossible to understand nonprofit organizations apart from the sector in which they drive. The state or public sphere, the civil society and private sphere are the three large domains of human organizations. The nonprofit organizations function in the civil society. Even though the nonprofit sector has an obligation for the public good, and therefore it could be considered as quasi-state, its distinctive obligations often seem to belong to the state or the market. The nonprofit sector is both non-state and non-market. Individual and communal actions serve the public good in the nonprofit sector. Many nonprofit organizations function at the community level, but they can also operate at regional, national and international levels. (Powell & Steinberg 2006, 365.) The existence of the nonprofit sector can be placed under two arguments. First, it exists because the state and market have allowed it to. Second, the nonprofit sector maintains its' independent action.

Nonprofit organizations provide different kinds of services from charitable organizations, social service agencies, religious and fraternal organizations, environmental organizations, sports, recreational organizations, funding foundations, political parties etc. (Epstein & Buhovac 2009, 4). Nonprofit organizations are normally divided into different categories which are social charities, foundations, social welfare organizations and professional and trade associations (BoardSource 2010, 5). Most nonprofit organizations in the United States under a certain tax code are referred to *charities*. For a nonprofit organization to be recognized as a public charity the organization needs to operate for the public interest such as growth of religion, defense of civil or human rights, advancement of science of education or relief of the poor. Strong public funding is required from a public charity. *Private foundations* are interested in making grants for the use of other charitable nonprofit organizations and normally have one source of funding. *Corporate foundations* are considered private foundations as their funding comes from a corporation itself. *Operating* foundations create their own philanthropic program and grantmaking for other charities is in their interest. *Community* foundations are grantmaking public charities which pool their donations to grantmaking facilities. *Social welfare organizations* operate for the advancement of social welfare. They seek to advance the general welfare and common good of the people in a community. When a nonprofit organization is enhancing the conditions, for example, of a certain trade, a community's interest or an industry, it is generally qualified as *professional or trade association.* (BoardSource 2010, 5-6.) Powell and Steinberg (2006, 358; 361) conclude, that nonprofit organizations exist for many reasons.

Acting voluntarily on behalf of others is in the human nature and it prompts us to do good for others in need. Charitable behavior is also a biblical injunction around since the early centuries. It was expected from the wealthy to be generous and take care of the vulnerable members of the community. This included the establishment of trusts and practices that resembled foundations. Throughout the entire European history until this day, foundations have mostly been operating entities such as orphanages, hospitals or schools. Powell and Steinberg (2006, 362-364) note, that even though today's secular culture does not echo in religious philanthropy and cite religious motives that often, they hide many times in the background. The foundation sector has grown all around the world, but especially in the U.S it has experienced a rapid growth in the 20th century.

Usually nonprofit organizations have three primary functions which are programs, administrations and governance. Nonprofit organizations accomplish their mission by providing services and activities, therefore meeting a recognized need. (Jones & Riley 2014, 40.) Powell and Steinberg (2006, 356) note, that even though tax funds directed to faith-based organizations which provide social services, or for example, voucher programs benefiting different schools are very common practices nowadays, they can be seen as fairly new public policy challenges in today's democratic system. The differences in nonprofit organizations' capacity, structure and activities vary across time and societies. An act of encroaching personal freedom made by the state leads people to a place from which they are able to push back, which in this case means the nonprofit sector. It is also important to recognize that there are public goods that cannot be produced solely by the market. It has been mentioned that liberal values of pluralism are protected by the nonprofit sector. (Powell & Steinberg 2006, 358)

Modern grant-making foundations earn their legitimacy and public acceptance through different ways. Firstly, they are redistributive, and therefore money flows from the wealthy to the less well-off. Secondly, they are cost-effective. It has been recognized that many times nonprofit organizations have a better ratio of accomplishment to funds spent when being compared to the public sector. (Weisbrod 1988; Powell & Steinberg 2006; 359.) Flexibility and imaginativeness have been listed as some of the reasons for this. Thirdly, they have a liberal doctrine. A private foundation has a uniqueness in its position and they can turn into nonactive funders of public goods. Fourthly, it is important also to note that pluralism, social change and charity are recognizable reasons to foundations' legitimacy and public acceptance. Nonprofit organization's distinctive role in social life is caused partly because of foundations. (Powell & Steinberg 2006, 359.)

It is important for nonprofit organizations to sustain their public confidence and trust. Because of their reliance on funding and donations in order to deliver their services, there exists a funding insecurity amongst nonprofit organizations. The need for stakeholder requirement and outcome measuring in nonprofit organizations is therefore substantial, but these factors bring challenges to performance measuring. (Moxham 2009, 741.)

From an administrative point of view, nonprofit organizations are supposed to have an executive director or president whose role is to report to the board. In order to support the program development and operation, the administration's role is to ensure that the common resources are used accordingly. (Jones & Riley 2014, 40). Having a board of directors is required from nonprofit organizations. They are responsible for the operations and determining their mission as a nonprofit organization. The board of directors is also responsible for the organization's internal policies and decision-making. (Jones & Riley 2014, 40.)

The government of all nonprofit organizations is given to the organization's board of directors or trustees. This group consists of volunteers who are responsible for the organization's mission achievement, they secure the organization's assets and function in the public interest. The performance and behavior of nonprofit organizations can be monitored by different, so called private watchdog groups. These groups are in charge of advising the donors of the productive use of gifts, but the nonprofit organization's integrity can also be secured by its donors and members as they can cause nonprofit organizations to re-evaluate their functions. (BoardSource 2010, 7-8.)

It is a responsibility of the board of directors to set priorities and goals for nonprofit organizations. Many times, however, the board can have more experience in the for-profit field instead of the nonprofit field. This issue can be a real challenge since increased revenues and profit for stakeholders are not the main focus of nonprofit organizations since nonprofit organizations' true profits are the outcomes. (Jones & Riley 2014, 49-50.) Maintaining low overhead costs is always on the agenda of nonprofit organizations while pursuing organizational effectiveness. Administrative costs may increase when the organization decides to invest in measuring activities, and these additional costs might be seen, for example, in upgraded technology or as an addition to part-time staff member's responsibilities to take care of the measuring activities in the organization. (Jones & Jones 2014, 51-52.)

It is necessary to train various staff members in the work related to evaluation and data collection. When multiple workers are aware of these efforts the organizations will not lose the institutional knowledge and benefits even when a worker leaves the organization. It is also the leader's responsibility to place a priority on data collecting and using within the organization, otherwise the practice gets easily abandoned. (Jones & Riley 2014, 53.) Performance measurement matters and it brings results. Niven (2008, 209) concludes that employees can be inspired and motivated through measures and they can also direct the organization.

3.1.1 Concept of performance in nonprofit organizations

Evaluators all around the world have received the “performance movement” with different types of responses. For some, it has been received with enthusiasm, whereas some people have received it with frustration (Newcomer & Brass 2016, 81).

Emphasizing the difference between the terms “organizational performance” and “effectiveness” in this study is crucial. Performance and effectiveness are multidimensional terms and quantifying them is considered somewhat difficult (Jääskeläinen & Sillanpää 2014, 13). It is possible to define effectiveness as “the ability to reach a desired objective” or “the degree to which desired results are achieved” (Tangen, 2005). Organizational performance includes four factual areas of interest which are financial performance, stakeholder performance, market performance and mission performance. Financial performance includes factors such as donations raised per year and state funding, whereas stakeholder performance encompasses activities like stakeholder identification, volunteer satisfaction and donor loyalty. Market performance focuses on service quality and brand reputation and other factors that address the importance of marketing. Mission performance addresses the achieving of the organization’s mission. (Richard et al. 2009, 722; Willems et al. 2014, 1650.) Even though nonprofit organizational effectiveness is closely connected to organizational performance, as a concept, effectiveness has a broader meaning. Including the balanced input and output which are achieved through programs, projects and processes implemented by the organization are part of organizational effectiveness. The organization’s mission sets the goals. (Franklin 2002) As an example of the importance of performance measuring, it is necessary that the managers of an organization understand what the stakeholders are expecting and respond to those expectations. (Herman & Renz 2002, 10.)

3.1.2 Conceptualizing performance measurement in nonprofit organizations

"In the past, it may have been sufficient for non-profit organizations to simply share compelling stories and pull on the heartstrings of potential donors in order to receive big checks. Today's most successful nonprofits are not content to rest on their laurels and keep relying on this timeworn approach." (Jones & Riley 2014, 44.)

Organizations in the world today are forced to be more knowledge driven and market oriented. As result to these pressures, performance measurement has found its' way to plenty of organizations' management agenda. (Yasar 2004, 503.) It has become increasingly important to create and sustain excellent organizations. The purpose of a for-profit is "profit" whereas nonprofit organization's mission consists of other reasons that explain their permanence building. (Baruch & Ramalho 2006, 43.) Many times, nonprofit organizations need to perform excellence in order to secure their financial resources. Due to the growing prominence on accountability in government funding, the nonprofit sector needs to demonstrate excellence in the same manner as its private and public sector counterparts. (Moxham 2009, 741.) Services that are supplied by charitable nonprofit organizations are either provided by membership nonprofit organizations or by government departments at the public good or redistributive services end of the continuum. Nonprofit organizations are arranged to serve a specific client group, not members. The members help by funding the organization through membership fees or donations, but this funding is added by multiple private and government resources. (Cutt & Murray 2000, 227-237.)

Performance measurement has developed greatly in the past decade; from traditional performance measuring such as costing and accounting systems to a more balanced, long-term view that is not merely only focused on the short-term financial aspects. (Yasar 2004, 504.) Unlike traditional performance management, nonprofit organizations often measure performance by focusing on the quality of relationships and the interactions of the individuals instead of success such as the amount of revenue brought in or number of sales that were made. (HR Council 2010, 2.) Yet many times, nonprofits try to keep up with their performance by evaluating numbers such as the amount of funds they have raised, people they have served, membership growth or number of visitors. Even though these metrics are important in nonprofits, organizational success and a nonprofit organization's mission achievement cannot only be measured through them. (Sawhill & Williamson 2001.)

Performance measurement systems are needed for the organization to capture their overall and individual performance while heading towards achieving their mission (Epstein & Buhovac 2009, 25). The measurement cultures vary depending on the size and type of a nonprofit organization. Nonprofit organizations all around the world vary in their mission, size, budget and structure. Through data collection and evaluation nonprofit organizations are able to advance their organizational impact and value leading them to high measurement culture. (Jones & Riley 2014, 41-44.) Through active performance measurement the activities of an organization can be determined, the achievement of the goals evaluated and through these objectives it is easier to analyze whether they are bringing the organization closer to its vision. (Yasar 2004, 504.)

The motivators and factors for implementing different performance measurement systems have been, for example, the pursuit of efficiency, the demands for accountability and constricted resources (Harris, 1998). In order for the companies be successful, they need to be paying more attention to their internal and external environment to gain a vision for their future as a company. As a next step, the organization will have a clear strategy that will help to identify their performance areas. (Yasar 2004, 503.) The importance of performance measurement in nonprofit organizations can be seen in organizational effectiveness and enhancing the ability to deliver their mission (Harvard Business School 2017.) For organization's business planning and running to be effective and efficient it is vital that performance measurement systems are valued in the organization (Yasar 2004, 504; Carnochan et al. 2014, 1051).

It is safe to say, that if a nonprofit organization can demonstrate their collective impact with the people group they serve, most likely donors and funders will continue to invest in their programs. When donating to recognized nonprofit organizations, corporations and the general public are many times able to receive tax benefits. (Jones & Riley 2014, 39; 43.) Nonprofits all around the world need to raise funds in order to cover their expenses and secure the future of the organization. Nonprofits are allowed to create excess revenue over their expenses, but it cannot be considered as private gain. The surplus gained by a nonprofit organization must be used for the support of the organization's mission achievement (BoardSource 2010, 4.)

Transparency, demands for accountability and increased public scrutiny are some of the latest issues of stakeholder expectations. Also, donors want to see how their investment will make an impact. (Jones & Riley 2014, 44.) The data audience of nonprofit organizations consists of nonprofit governance, program staff, development staff, corporate funders, foundation and government funders, private donors, program participants and partnering organizations. (Jones & Riley 2014, 45-49.) It has been noticed that when nonprofit leaders invest in performance measuring, later on they can also reap their reward. While a nonprofit organization is trying to become more efficient and effective, the effort of data use is highly important. Nonprofit organizations will only know whether their best is good enough if they aim to implement a high-performance measurement culture. It has been stated that low-measurement culture companies will not attract foundations or government funders due to their lack of measure results. Nonprofit organizations that embrace performance measurement culture are many times more successful due to the gathering of data, stories and information. (Jones & Riley 2014, 44-46.) There is also a growing need for decent communication in nonprofit organizations.

Nonprofit organizations need to come up with the communication solutions that fit the best in their budget and mission. Increased impact and increased revenue are the results of a high-performance culture in a nonprofit organization, and for that reason the leaders should demand on establishing it. It is necessary that the organization's leader invest in communication. Their success is closely tied to their ability to collect data and information of their function which will help them to measure the value and impact of the nonprofit organizations as well.

Moxham (2007, 755) concluded in her study that the existing body of knowledge on nonprofit measurement systems is relevant to nonprofit organizations and the study showed that the measurement drivers and evaluation processes in the public, private and nonprofit sector are prevalent. Moxham (2007, 752) notes also that there are various performance measurement systems, but there are similar drivers for measuring performance that are emphasized across the public, private and nonprofit sector. Firstly, they are relevant, focusing on the accountability. There exists a link between nonprofit financial reporting and public sector accountability. Distributed public funds are most often examined by the funders since nonprofits are required to report against the criteria of the public sector measuring. Osborne et al. (1995, 274) suggest that the accountable use of public money can be ensured through performance measuring. Secondly, they are integrated, developed in isolation. Since nonprofit organizational performance cannot be measured through one single criterion, many nonprofits seem to create their own unique criteria. There is a visible need for incorporated key criteria that would be usable for all nonprofit stakeholders. (Moxham 3009, 753.) Thirdly, they are balanced which means that they are resource intensive. Fourthly, a nonprofit organization's measurement systems are strategic which means that they are short-term focused. It is possible to measure short-term measures such as targets and evidence of attendance, which are quantitative measures of performance. Evidence of attendance, for example, measure impact or outcome of the organization and they provide useful information for nonprofit organizations. (Moxham 2009, 754.) Fifthly, the nonprofit measuring seeks to be improvement-oriented. Even though a continuous improvement is most likely an aim of every nonprofit organization, many times the measurement criteria stipulated by the funders does not support constant improvement. Thus, many nonprofit organizations implement their own performance measurement system. (Moxham 2009, 754.)

Performance measurement's purpose defines its methods. The timeframe for the data collection, the set of indicators and measures being chosen and the methods of analysis are all decided based on the purpose of the performance measurement. (Poister et al. 2014, 10.) Performance measurement records measures such as customer satisfaction, outputs, inputs, activity levels (Poister et al. 2014, 10, Lee & Nowell 2014, 303-305), public value, network and legitimacy (Lee & Nowell 2014, 304-306) It can also track the organization's efficiency, effectiveness and equity. Collecting information from external as well as from internal stakeholder groups is common. (Poister et al. 2014, 10.)

The recent literature on performance measurement consists of three groups; the proponents, the pragmatics and the skeptics. These groups describe performance movement more deeply. The most recent studies on performance measuring consist of diverse findings. (Poister et al. 2014, 12.) A substantial body of literature on this topic includes also a range of similar terms such as quality assurance, performance indicators, performance measures, value for money, performance appraisal and review. (Holloway, 1999.)

3.2 Different dimensions of performance measurement in nonprofit organizations

The implementation of performance measurement can be divided into three main steps. These phases are the design of performance measuring, implementation and use of measures. (Bourne et al., 2000.) The importance of the design phase is crucial because it lays a foundation for the implementation and thereafter use of measures. (Jääskeläinen & Lönnqvist, 2009 in Jääskeläinen & Sillanpää 2016, 31.)

There is a collection of different performance measurement approaches that were developed specifically for the nonprofit sector. The Balanced Scorecard for Nonprofits (Kaplan 2004), Public Value Scorecard (Moore 2003) and the MIMNOE: Multidimensional Integrated Model of Nonprofit Organizational Effectiveness (Sowa et al. 2004) are some of the typical models used for performance measuring. Through these frameworks it is possible to identify multiple perspectives of performance measuring, at the same time focusing on the improvement of the theory and informing practice as well. (Lee & Nowell 2014, 300.)

There is a number of criteria for choosing suitable measures for each non-profit organization. (Niven 2008, 209.) According to Kaplan and Norton (1992), the Balanced Scorecard framework has received the most attention. Even though the Balanced Scorecard has developed greatly in the last 16 years from a measurement system to a successful management system, it still contains a performance measurement system. It can also be used as a communication tool. (Niven 2008, 209.) The Balanced Scorecard was designed to assist the progress of the description of strategy. When the strategy is translated into objectives on the Strategy Map then the performance is being evaluated through measures. All of the measures on Balanced Scorecard hereafter referred to as BSC, are made to be used as translations of objectives as they get translated from the strategy of an nonprofit organization. (Niven 2008, 229.)

As an example of the mix of input, output and outcomes in the Balanced Scorecard, an organization can decide to use some of the new revenue for supporting staff training with the purpose of gaining more results and therefore the amount set aside for staff training is defined as an input. As an internal process, number of presentations will be delivered. The additional knowledge the staff gains will most likely bring about more desired results in customers' lives. As an outcome, the customer satisfaction will increase. Finally, the organization will be closer to its' mission. The importance of using Balanced Scorecard is seen especially in the organization getting closer to its' mission. Striving for perfection on measurement isn't the most important thing. What ultimately matters are the specific follow-ups of certain simple elements, reviewing them and then analyzing them carefully with the aim of learning more about the topic. (Niven 2008, 212.)

3.2.1 The structure and development of performance measurement measuring

Table 3. Performance Measurement in Nonprofit Organizations. (Adapted from Lee & Nowell 2014; Bagnoli & Megali 2011)

Perspectives of non-profit performance measuring	Theoretical views	Theoretical resources
Inputs	Increase in revenue; capability to manage human resources; strength of the relationship with stakeholders; safety and health indicators; participation in management board and/or assembly of members	Cutt & Murray (2000); Kaplan & Norton (1996); Moxham (2009b)¸ Bagnoli and Megali (2011), Newcomer (1997)
Outputs	Number of participants served; quality of the provided service; frequency and hours of services provided; achieved specified goals in relation to services	Sawhill & Williamson (2001); Poister (2003); Cutt & Murray (2000); Moxham (2009b)¸ Bagnoli & Megali (2011), Newcomer (1997
Outcomes (behavioral and environmental outcomes), (client/ customer satisfaction)	Improved condition (such as participant social status, participant economic	Bagnoli & Megali (2011); Moxham (2009b); Poister

	condition, participant health condition); modified behavior/attitude (maintenance of new behavior, incidence of desirable activity, incidence of bad behavior), increased skills/ knowledge (such as learning and knowledge)	(2003), Newcomer (1997); Kaplan (2001)
Public Value Accomplishment	Safety and security; equality, dealing with social exclusion; promoting civic engagement; citizen engagement and democratization; individual expression	Moore (2003)
Network and Institutional Legitimacy	Successfulness of partnerships; Stakeholder satisfaction; Institutional coherence; Funder relations; Activities according to the stated mission; Organization's image in the media	Bagnoli and Megali (2011); Herman and Renz (2008); Moore (2003)
Organizational Capacity	Employee satisfaction, education/counseling; staff perspective on operational competencies; operating performance	Kaplan (2001); Moore (2003); Sowa, Selden, and Sandfort (2004

This study focuses on six perspectives of nonprofit organizations performance measuring: *inputs, outputs, outcomes, public value accomplishment, networks and institutional legitimacy* and *organizational capacity.*

Many times, nonprofit organizations work under the pressure of budget and resources, and therefore one of the key aspects of performance is measuring how the *inputs* have been received and used. Resource acquisition and utilization are therefore the main approaches influencing this perspective. These approaches are there to reveal the nonprofit organizational success in resource acquisition and utilization, through which the value generating is set as the focal point. An amount of volunteers or staff needed for an activity or the increase in year to year revenue are some of the examples of recourse performance metrics. (Lee & Nowell 2014, 305.) The Balanced Scorecard for Nonprofits (Kaplan & Norton, 1996) can be used for the development of essential internal methods for the examination of used resources.

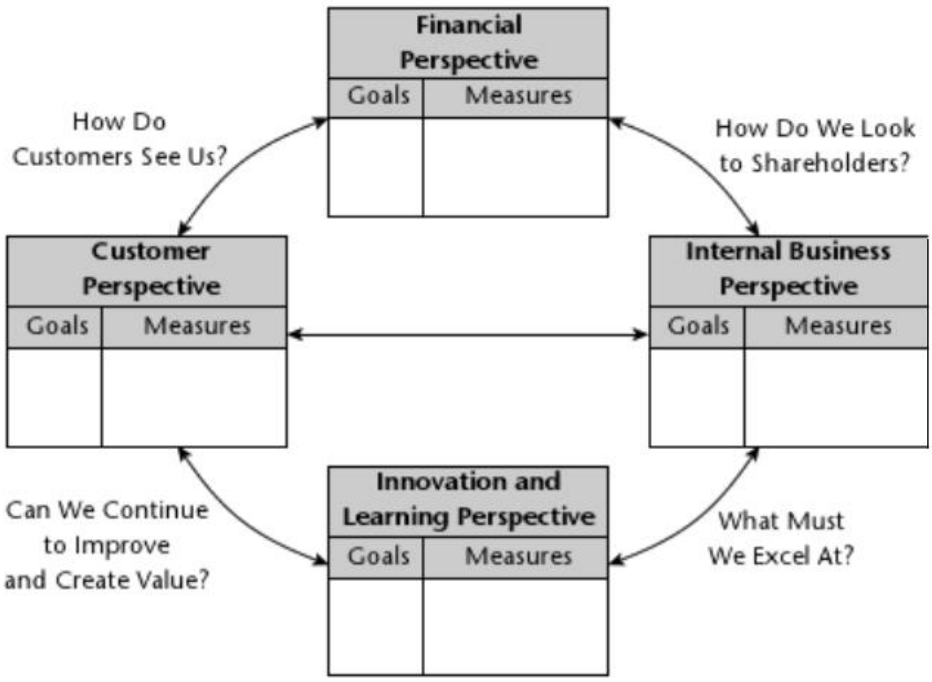

Figure 4. Balanced Scorecard. (Poister et al. 2014, 214.)

Balanced Scorecard includes four perspectives: the customer perspective, the financial perspective, the internal business perspective and the innovation and learning perspective. As part of the performance measurement system, setting up goals in each of these Balanced Scorecard areas is necessary. As a next step, it is possible to specify the measures to track their performance against these goals. (Poister et al. 2014, 215.)

Customer satisfaction can be tracked through satisfaction indexes (Poister et al. 2014, 215). The Balanced Scorecard's customer perspective is specifically important to nonprofit organizations and service-oriented public sectors. The Balanced Scorecard can be used as a tool for communication, it is a visual for strategic management and it also can be used as a measurement system. (Poister et al. 2014, 220.) The Balanced Scorecard is a well acknowledged figure that connects performance measurement and the strategy map together, helping organizations to accomplish their mission as well as the reaching the organization's strategic objectives.

Many scholars have supported the idea of involving *organizational capacity* development in a nonprofit organization's evaluation agenda, as this aspect is combined with the input perspective. In spite of the fact that resource acquisition and utilization are part of the input view, the development of effective outcome and output generating is also highlighted through the organizational capacity perspective. The evaluation of nonprofit organizations' productive internal processes and structures focuses on the effective use of resources which leads the organization towards its mission. Organizational activities as well as organizational performance are affected by different processes of innovation and learning. Learning, innovation and growth as a part of the organizational capacity building are necessary and they may strengthen the nonprofit organization's performance. (Lee & Nowell 2014, 305.)

One of the ways for nonprofit performance measuring is through the focus on the *outputs*. The output perspective highlights the organization's activities as they mainly refer to the achievement of the nonprofit organization's mission (Sawhill & Williamson 2001, 371-372). Through the output measuring it is possible to recognize the achievement of the initially intended goals. Output measures are considered to be effective measures, and therefore careful consideration when using them is required. (Lee & Nowell 2014, 306.)

Sowa et al. (2004, 720) stresses the importance of understanding the program incomes while measuring the overall performance in nonprofit organizations. The program evaluation discerns the impact of the program activity. Sowa et al. also add that the two commonly used outcome measures focus on the objective indicators of outcome measures and the perceptual indictors of program capacity.

A nonprofit organization’s true profits are the *outcomes* (Jones & Riley 2014; 50). Moxham (2009b, 4) defines an effective project as one that “has been able to successfully demonstrate that it has achieved the outcomes that it set out to achieve at the time that the grant offer was made and which has made a real difference to the lives of disadvantaged people.” This applies to the behavioral and environmental approach which are the two ways of outcome measuring. The perceptual measure of program outcomes includes for client satisfaction approach and an approach which focuses on the behavioral and environmental changes (Sowa et al. 2014, 720). These two approaches can complement one another when used together but they also vary due to their measurement methods which are different (Lee & Nowell 2014, 306). The outcome approach emphasizes the physical products produced by nonprofit organization’s activities. Generally, outcome measures are quantitative through which measuring efficiency and productivity. According to Rossi et al. (2004, 204) an outcome in nonprofit organizations can be explained through the change which the nonprofit organization has brought into the state of the target population or social circumstances. Lack of outcome measures is one of the most common challenges. The need for measuring outcomes has been seen even as a greater issue than for example hiring quality staff, maintaining positive relationships within the board or building outside partnerships. (Jones & Riley 2014, 41-44.) If a nonprofit organization is lacking outcome measures it prevents them from achieving their optimal success.

It is necessary to understand that there is a difference between output and outcome-based perspectives. The outcome-based perspective focuses on the change that is seen in the target population and it generally aims to determine the impact of certain activities. It is possible to measure the outcomes through the outputs.

Surveys made on customer satisfaction show that there are four expectations which are specifically important: accuracy, availability, partnership and advice. Accuracy stands for delivering the service or product in time. Availability means that the services are available in locations where the customers' necessities need to be met. Partnership is seen in the relationship of a customer and service or product provider as "being on the same side." Advice is needed for improving the customer's situation and therefore this barometer will show the success of a nonprofit organization. (Niven 2008, 218.)

Performance can therefore be measured through these objective indicators that are related to specific program theories of change. The used measures depend on the services that are being offered. These outcome measures should concentrate on producing information on whether the organization is or is not achieving its' purposes and capturing the extent to which the organization accomplishes its' objective. The understanding of the program's outcomes can be gained through the opinions of the clients. The examination of the clients' satisfaction will enable the organization to define the comparison between the objective measures and client satisfaction. (Sowa et al. 2004, 720.) Oswald et al. (1995, 274-275) highlights quality measuring which can also be combined into performance measurement systems depending on the rationale that is being used. Quality measuring focuses on customer satisfaction. Simply put it focuses on measuring whether or not a service met its principles but it can be continued to much more practical statistical analyses of the factors that lead to variations.

Generally, there are different ways to measure a nonprofit organization's near-term outcomes. Firstly, there are certain frameworks that are interested in the behavioral and envioronmental changes. Secondly, improved condition and increased skills are some of the examples of the focus areas in some specific frameworks. Thirdly, certain frameworks on the other hand emphasize the customer satisfaction.

Public value as a measure in nonprofit organizations creates an emphasis on the value that has been created for the society. The community-centered outcomes can be measured through public value perspective. Public value as an approach focuses on the global contribution of nonprofit organizations during a certain time frame. The public value can be measured and summarized through social ambition, which seeks to accomplish the social ambitions planned in their mission. Financial measures cannot be used for the measuring of social ambitions and it is vital to understand that the size of the organization effects the extent of social ambitions. For example, large nonprofit organizations have more capabilities and volume to bring change into communities and their values. (Lee & Nowell 2014, 307.) Multiple scholars have paid attention on public value in NPOs and it has been evaluated to be part of organizational performance. Hills & Sullivan (2006) presented a framework for public value measuring. The framework highlights examples of public value as (1) quality of life, well-being, and happiness; (2) social capital, social cohesion, and social inclusion; (3) safety and security; (4) equality, tackling deprivation, and social exclusion; and (5) promoting democracy and civic engagement. Also, Moulton and Eckerd (2012) classify NPOs' public value into six categories. These categories are: (1) service delivery, (2) innovation, (3) advocacy, (4) individual expression, (5) social capital creation, and (6) citizen engagement.

A nonprofit's performance framework can be also considered through_*networks and institutional legitimacy*. This perspective focuses on the management of the organization's relations with its stakeholders. Others key concepts are excellence and trustworthiness amongst this network. The development of organizational capacity, the use of received funds and the created value for customers and communities are examples of a nonprofit organization's network and institutional legitimacy issues, and it is possible to measure the performance through them. (Lee & Nowell 2014, 308.)

To summarize these views, Lee and Nowell (2014, 308) highlight the different perspectives in the nonprofit organizations' literature on performance measuring. First, nonprofit organization function many times in an environment which could be considered challenging, and therefore the use and management of their resources should be proficient. Second, the internal capacity of the organization is empowered through the nonprofit organization's achievements. Through the funding nonprofit organizations receive, they are able to create organizational capacity. Third and fourth, the organization's outputs and outcomes are emphasized in the habitually done program evaluation considerations. Last, the nonprofit organizations can use various ecological frameworks to enhance their performance measurement. Customer or client outcomes can be measured through consumer perceptions of quality, and performance measurement frameworks encourage this way of performance measuring. Satisfaction surveys and customer complaints are some of the examples used for outcome measuring. The Balanced Scorecard for the nonprofit organizations highlights client satisfaction and creating value for clients as the organization's most important goals. (Lee & Nowell 2014, 307.)

Lee & Nowell (2014, 301-302) conclude that a variety of nonprofit frameworks focus on various phases in the value-generation process, but they do not represent all of them. Many of the frameworks stress the significance of comprehending and measuring inputs into an organization. Financial strength and the support of the organization's activities are therefore highlighted. This mentality leads organizations to improve their programs and services, ultimately enabling them to offer these functions with a better quality. Using the acquired resources and funds, nonprofits can produce certain products and services.

Created public value at the community level can be a result of the activities of a nonprofit organization, and therefore it is a critical aspect of the nonprofit organization's performance measuring. Lastly, there are frameworks that emphasize the organization's relationship management with stakeholders and legitimacy in the community as much as in the field. (Lee & Nowell 2014, 303-304.)

Sawhill and Williamson (2001) conclude that it is possible for nonprofits to measure their success in achieving their mission in three ways. Firstly, progress can be measured through the organization's narrowly defined mission. As an example, Goodwill Industries defines their mission as an attempt to raise people out of the poverty through work. Thence their success can be measured through calculating the people who, through a job training, were able to start working at Goodwill Industries. But, for example, some comparable organizations such as World Vision and Catholic Charities could not measure their success as the Goodwill Industries due to their broader antipoverty missions that cannot be measured in the same way. Secondly, measuring the successful achieving of its mission, a nonprofit must be eagerly investigating to determine whether its function is actually alleviating the problems or stimulating the interests and benefits according to the mission. Thirdly, nonprofits have an option to measure their success in achieving their mission through developing micro-level goals. When these micro-level goals get accomplished, it would signify larger scale success. (Sawhill & Williamson, 2001.) "Focusing on outcomes means understanding the lives and circumstances that have changed for better because of nonprofit's programs and services." (Jones & Riley 2014, 55).

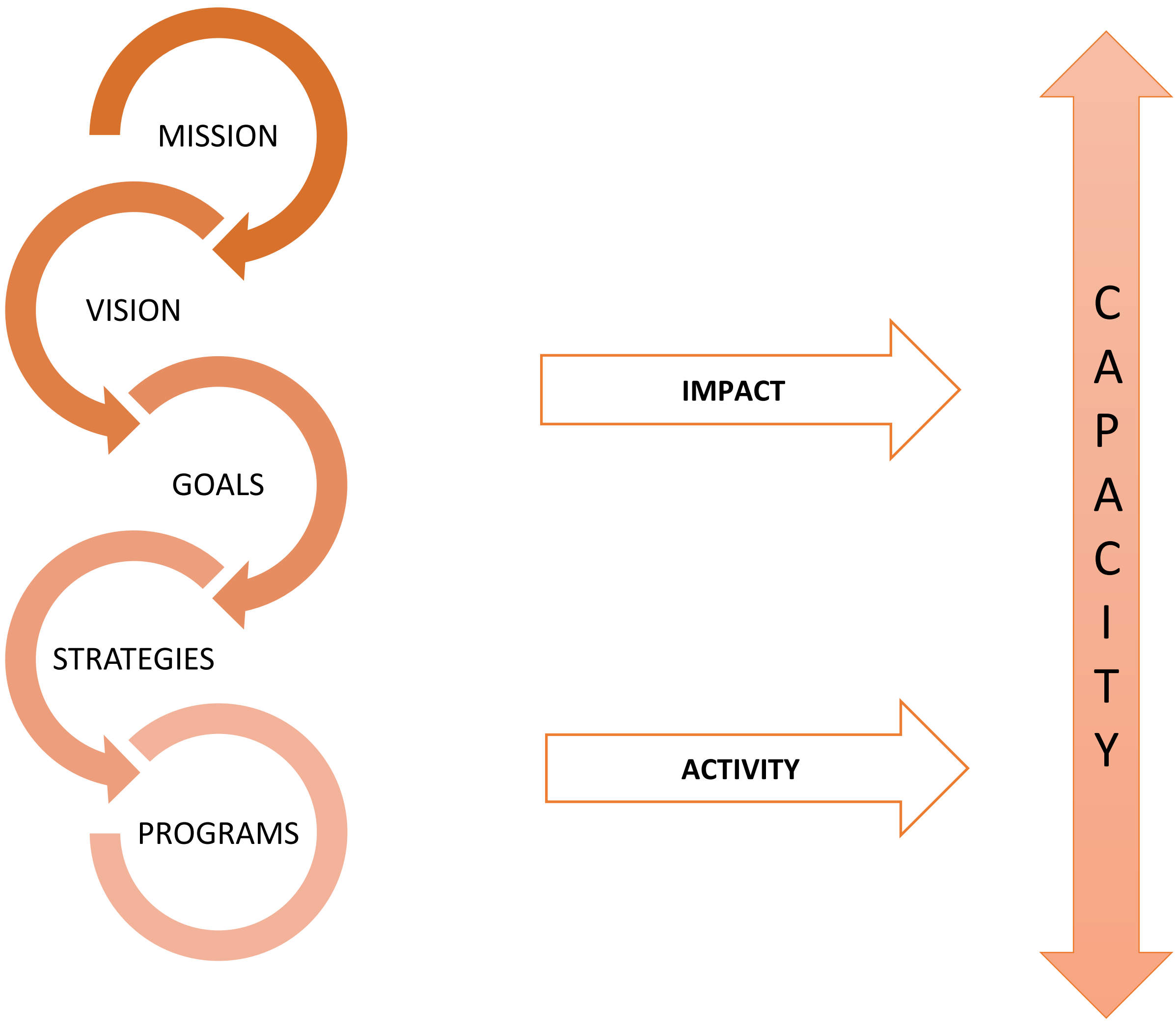

Figure 5. The Family of Measures Model. (Adapted from Sawhill & Williamson 2001, 375.)

It is important to recognize the differences between mission, vision, goals, strategies and programs. First, mission and vision explain the values and the future of the organization. The organization's mission specifically explains the organization's reason for being. Second, goals and objectives should define the primary purposes of the organization's actions. Strategy aims to respond how the organization will achieve its mission. Thereafter, all of these measures form the programs of the organization. (Principles of Management.)

3.2.2 Nonprofit organizational effectiveness – a matter of comparison

The Center of Excellence in nonprofits (CEN) has set a definition for nonprofit organizations on excellence as a ”condition when the majority of the key stakeholders hold the belief that a nonprofit organization is doing a superior job of setting and achieving worthwhile aims in a capable, cost-effective and ethical way" (Tebbe, 1996). Firstly, those suggestions are suggesting that excellence is judged through different measures and mind-sets; there is a broad set of stakeholders that carry on the judgement. Secondly, excellence can be seen as a comparable concept. This happens when different stakeholders compare the function of other nonprofits' performance determining which shows excellence and which doesn't. Third, democratic evaluation should exist amongst the key stakeholders. Therefore, criteria to support evaluation will follow as a result. Fourth, excellence can be determined through these three capabilities; i) the capability to accomplish great outcomes: ii) the capability to choose and put into action cost-effectiveness programs; iii) the capability to tie management and the moral principles. (Epstein & Manzoni 2004, 361.)

A nonprofit organization is playing its role when it tries to reach a common goal by coordinating various subjects. Nonprofit organizations can be described as communities that are need-driven, consisting of the promoters, the volunteers, the employees, the donors of financial resources, the users, the partners in day-by-day activities and the society altogether. Based on this kind of heterogenity and therefore different mind-sets, evaluating excellence can be seen as a challenging task. Nonprofits as communities are to grow, define their ambitions and act to accomplish them. It is also important for nonprofit organizations to learn how to build up their abilities and knowledge. (Lettieri et al.; 2004; Epstein & Manzoni 2004, 361.)

The theoretical part of the study sought to find out how nonprofit organizations manage their performance measurement, focusing on the six different perspectives of performance measurement measuring. In the next chapter, which represents the empirical part of the study, the research will focus mainly on the performance measurement's *outcome perspective* which evaluates the social effectiveness of a nonprofit organization. (Bagnoli & Magali 2011, 161.) The outcome perspective is shared into two dimensions. The first dimension focuses on the *customer or client satisfaction* and the second dimension on the *behavioral and environmental changes.* Customer or client satisfaction is seen in the target population's met and satisfied needs, whereas the behavioral and environmental changes can be seen in participant's lives through learned skills, improved condition or modified behavior. The behavioral and environmental changes are seen in the target population's state or conditions. Outcome perspective is focused on the benefits and differences which have been accomplished through the organizational activities. (Lee & Nowell 2014, 302-303).

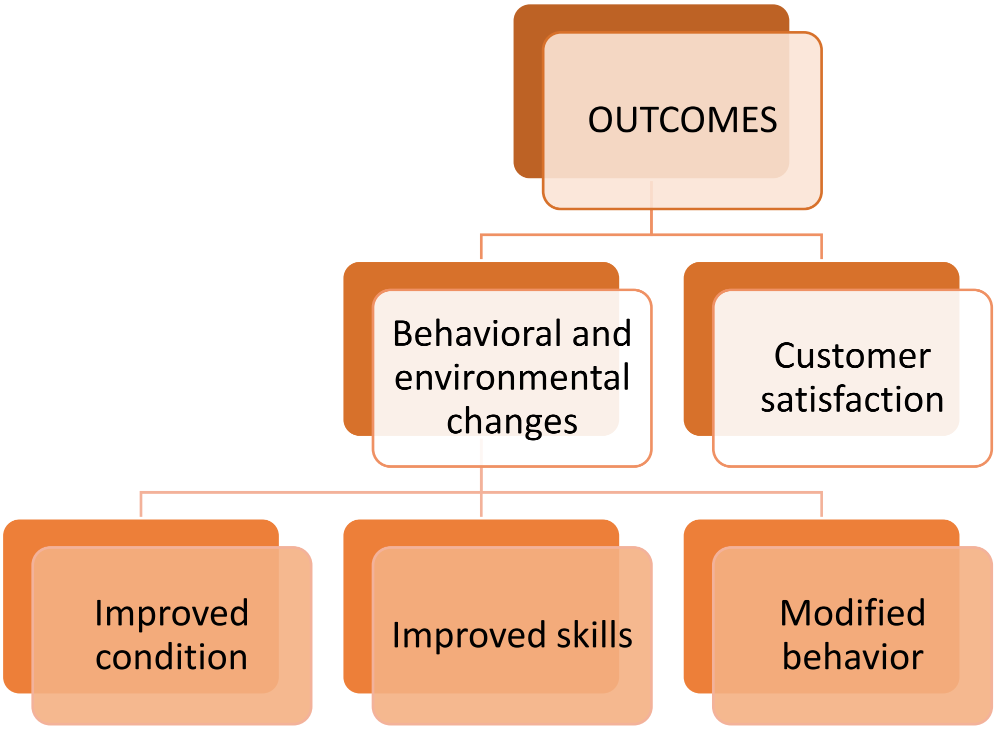

Figure 6. The outcome perspective of performance measurement.

In the next chapter, the study focuses on the empirical part of the research. The outcomes are evaluated through these perspectives through which the study aims to find out how performance measurement can be managed in the case nonprofit organization. It also seeks to respond to the question how the activities of the case nonprofit organization succeed in contributing to the transformation of children's and young mothers´ lives through the use of performance measurement, which also creates the starting point of the evaluation in this study.

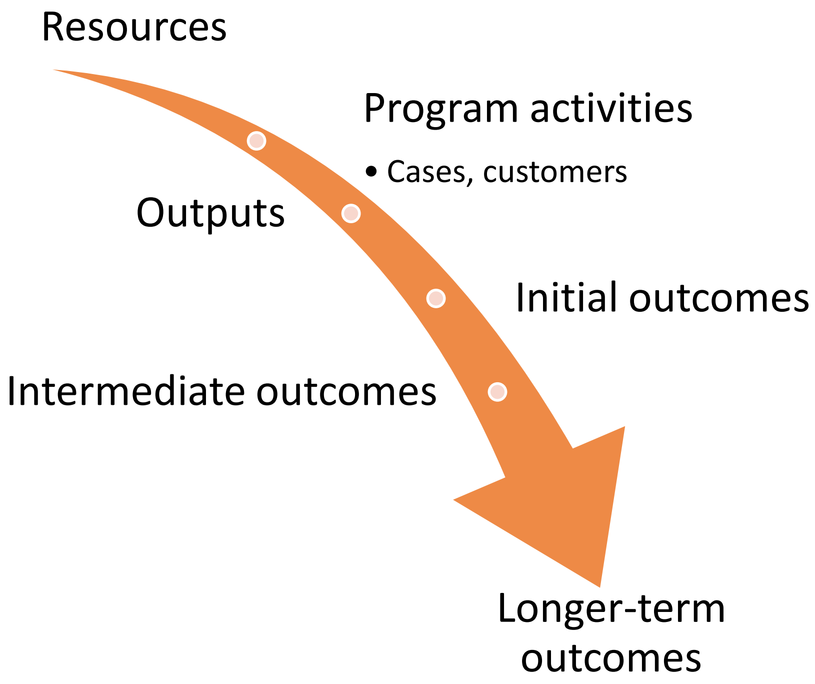

Figure 7. Generic Program Logic Model. (Adapted from Poister et al. 2014, 55.)

Resources are used for the creating of program activities. The program activities produced are seen in the organization’s outputs or as immediate products. These outputs should lead the organization into its’ outcomes. These outcomes should represent improvements, important changes and benefits resulting from the organization’s programs. Normally these outcomes start from initial outcomes, leading them to intermediate and longer-term outcomes (Poister et al. 2014, 55-56; Dick 2001, 6). Identifying the differences between outputs and outcomes is substantial. Outcomes represent program effectiveness and concerning overall performance it is substantial to look beyond outputs to outcomes. Outputs can be probably best thought as part of the success achievement and as a very necessary yet insufficient part of it. (Poister et al. 2014, 55-56.)

4 CASE ESTHERS

4.1 The establishment of the organization

Since slavery has been deeply rooted in the culture of Northeastern Brazil, it is still an issue in the lives of the Northeastern Brazilians even today. The Trans-Atlantic Slave Trade brought about 4,8 million slaves from Africa to Brazil. Physical violence, forced labor and sexual exploitation walk hand in hand with slavery. It was estimated by UNICEF in 2001 that 100.000 children were working in the sex trade in Brazil. In 2012 that number had increased to 500.000 and keeps rising today. (Esthers 2013b.)

Recognizing the need for helping the girls in the Northeast of Brazil, ESTHERS began their work in Recife, Brazil in 2007. With a desire for restoring children who had been sexually exploited or abused, they first opened ESTHERS House, a restoration home for girls between the ages of 4 and 12. Over the following 4 years this ministry was home to 18 girls. Even though the residential program of ESTHERS has been stopped, they continue to have a relationship with each one of the girls and they continue working with some of them. With a focus on preventing sexual exploitation and child prostitution of girls between the ages of 4 and 18, they opened ESTHERS in a community of Vera Cruz in Recife in 2011. Today their work includes outreach in the local community and weekly intervention to the families of each girl in their care. (Esthers 2013a.) Nowadays ESTHERS continues serving 60 girls at the community center in Vera Cruz.

4.1.1 Policies and principles of ESTHERS

ESTHERS believes that a lasting change to end modern day slavery can be made through prevention. They aim to bring about change at the individual, family and community level.
ESTHERS' ministry includes an outreach in the local community of Vera Cruz as they make weekly home visits to the families of each girl participating at ESTHERS. ESTHERS has also started a mom's group, which meets three times per week, with 10 moms participating regularly in the mothers' ministry. Since ESTHERS piloted a micro-enterprise business with the

mothers, some of them have become individual entrepreneurs with an ability to create sustainable futures for them and their families. With a desire to break the chains of poverty and prostitution, ESTHERS has been providing these women the necessary skills and tools to provide for their families in a dignified manner. These women have been trained in sewing techniques as well as in hand-printed and crocheted kitchen and table linens. They have begun to create marketable goods which are being sold in the United States.

Nearly 100% of funding received by ESTHERS comes from child sponsors, individual donations and church partners. The funders are given a possibility to sponsor a girl in Brazil, helping by preventing the children at ESTHERS from becoming victims of sexual exploitation, abuse or trafficking in their community as well as giving them a gift of hope. Through two well-balanced meals, Bible studies, academic tutoring, enrichment classes and professional counseling the girls' physical, spiritual, academic and emotional needs are being met daily. (ESTHERS 2013b.) ESTHERS functions under the tax code 501(c)3. Organizations in this tax code section are commonly referred to as charitable organizations.

4.1.2 Reaching the required elements in the field

The required elements in the field in this research were the targets and goals set by the nonprofit organization and finding them in practice through the use of the theoretical literature and empirical study. The semi-structured interviews as well as participant observation during the fieldwork aimed to give answers to these questions.

According to Moxham (2009b, 4) a successful project can be defined as one that "has been able to successfully demonstrate that is has achieved the outcomes that it set out to achieve at the time that the grant offer was made and which has made a real difference to the lives of disadvantaged people. This research aims to understand the how the case organization has contributed to the change and transformation of the lives through the use of performance measurement's outcome perspective. The research aimed to evaluate whether the case organization it was able to make a real difference to the lives of people in Vera Cruz. Even though many organizations may seem successful based on the projects they have implanted or the number of people they served, the clear changes seen in behavior or environmental conditions made by a nonprofit can be measured through achieved outputs therefore showing the outcomes. (Bagnoli & Megali, 2011.) There is a difference between an outcome and output perspective; the outcome-based perspective seeks to find out the impact of the organization's activities on the target population or setting. This research is solely focused on the outcome perspective.

4.1.2.1 Efficacy enhancers

A recognized efficacy enhancer in the lives of the girls and mothers in Vera Cruz is the spiritual, cognitive and emotional support that the girls and the women are able to receive at ESTHERS. Also, another recognizable efficacy enhancer is the consistency of the activities at ESTHERS. Despite of the fact that many times the girls' and women's homes are not supportive of healing and positive life changes, ESTHERS' continual presence in the community can be considered as an efficacy enhancer. ESTHERS is there for them as it is a safe place with people who genuinely love the girls and the mothers.

One of the primary focuses of ESTHERS has always been education. For many of the girls the private school scholarships have brought an opportunity to be the first ones in their families to pursue a decent education and to become literate.

4.1.2.2 Efficacy inhibitors

Camaragibe is a Brazilian municipality of the State of Pernambuco. It belongs to the metropolitan region being the sixth most populous. The area where the municipality is located today used to be populated by indigenous minorities. Aldeia is a neighborhood in the city of Camaragibe which has areas of great commercial value, where there are several residential condominiums, as well as low income populations residing in places like Vera Cruz, Oitenta, Borralho, Vila do Píim and Peroba.

During the field work it was possible to perceive the major difficulties of the community.
Vera Cruz is considered a community of families and individuals with loss of bonds of affection; belonging and sociability; life cycles; identities that are stigmatized with ethnic, cultural and sexual terms; handicap resulting from disabilities; exclusion from poverty and, or, access to other public policies.

The use of psychoactive substances such as different forms drugs is very common in the community of Vera Cruz. Violence is common within the nuclear families, groups and individuals.

All the mothers and their daughters being interviewed were in agreement that the community of Vera Cruz has turned much worse and dangerous in the recent years. The amount of drugs, violence and crimes has increased steadily, which has caused people to be more cautious and afraid. It was commented also by all of the girls that violence, crimes and the use of drugs has increased lately.

"Vera Cruz turned very violent. It was not like that before. Today we can't out in the streets with cellphones. A lot of people come from outside our city to steal them. It's getting very violent." Participant (A)

"*I think it's because of the high unemployment rate here – and it happens also because of the influence of the youth. It is very easy for the youth to sell drugs to sustain themselves and they end up stealing. We must have a police office here but the local police station was shut down." Participant (D)*

ESTHERS is located in a neighborhood full of chaos and trauma. To many of the people in the community an on-going, globalized trauma occurs on daily basis, not only at their homes, but also in their schools, neighborhoods and in the community in general. By law, ESTHERS is not able to remove the girls from their homes, and therefore they are unable to completely immerse them in a different way of life. Personal healing and positive life-changes many times are not many times supported by the living environment of the families. (Esthers 2013c.) ESTHERS being planted into a hostile environment like Vera Cruz makes it both its efficacy inhibitor and efficacy enhancer; due to the hostility the girls and women face many times in their homes, they desire a change for their lives, but at the same time believing that it is possible requires faith and motivation from each one of them to reach a different kind of lifestyle.

Based on the fieldwork in this research, some of the efficacy inhibitors rose higher than others. One of the major problems perceived within the youth has become starting relationships with the opposite sex, many times leading to unexpected pregnancies. Seeing girls under 14 years pregnant in the community has become a somewhat common subject. Due to relationships with the opposite sex, some of the girls have dropped out of ESTHERS program. Some of the fieldwork conversations indicated also that there are some mothers who were invited to participate in the activities of ESTHERS, such as the job training through sewing and painting didn’t receive the opportunity due to personal problems or unwillingness to participate.

4.2 Empowering the women and children of Vera Cruz

Improved condition as a perspective contains three different dimensions which are *social status, economic status and community status*. *Social status* in this inquiry represents a recognized improvement in the participant’s family relationships. *Economic condition* represents the improvement in economic condition, establishment of career and increased earnings. For the girls this question is substituted alternatively with another question: whether they have enrolled into educational programs (private school) or not. *Community status* represents a recognized change in the community or an impact made by ESTHERS from the participant’s point of view. (Penna et al. 2011.)

Second, increased skills as a perspective consists of two dimensions which are *learning new skills* and *improvement in knowledge.* This research aimed to respond to whether the participants had learned new skills (life/individual) or not and if in their opinion there was improvement in knowledge.

Third, modified behavior consists of two dimensions which are *behavioral changes* and *incidence of desirable activity*. The behavioral changes represent personal opinions about positive life changes after attending ESTHERS and ESTHERS contributing to a brighter vision of their future. Incidence of desirable activity in this research represents the existence of motivational life goals gained through the activities of ESTHERS, which help to prevent the participants from getting involved with harmful and destructive lifestyles. The activities and support of ESTHERS lay the foundation for each perspective.

Table 4. Behavioral and environmental changes.

Participant (Numbers A-D mothers E-H daughters)	IMPROVED CONDITION Social status	Economic condition/ education programs	Community status	INCREASED SKILLS Learning new skills	Improvement in knowledge	MODIFIED BEHAVIOR Behavioral changes	Incidence of desirable activity
A 32	X	X	X	X	X	X	X
B 38		X	X	X	X	X	X
C 28	X			X	X		
D 35	X	X		X	X	X	X
E 9			X	X	X	X	X
F 11	X	X	X	X	X	X	X
G 13	X	X	X	X	X	X	X
H 12	X	X	X	X	X	X	X

Based on the semi-structured interviews and the participant observation, where the study sought to find responses to seven different outcome perspectives which were: improvement in social status, economic condition, learning new skills, improvement in knowledge, behavioral changes and incidence of desirable activity.

4.2.1 Changing the course of the lives of young Brazilian mothers and their daughters through empowerment

All the mothers mentioned that ESTHERS has contributed to the change of their relationships positively within their households. Participant A highlighted the fact that now she is able to provide a better quality of life to her own children through responding to their physical needs and, for example, being able to buy them food and clothing which has changed the dynamics in their relationships. This topic was not discussed in the semi-structured interviews with the girls, but during the fieldwork some of the girls mentioned that they had noticed improvement in the relationships within their families.

”*Everything that I have is for my children. What they have now is what I never had when I was a child… And now I have a possibility to give them what they need.” Participant (D)*

Three out of the four mothers expressed that their economic situation had improved. Each one of the mothers who was able to start a micro-enterprise mentioned that their economic condition had improved remarkably after starting their own micro-enterprises and becoming self-sustainable. One of the mothers (C) had been participating in the activities of ESTHERS but was not able to work full-time because of her pregnancy. The semi-structured interviews and the participation observation showed that her economic condition had not improved during the time she had been participating the activities of ESTHERS.

Three out of the four girls had been enrolled in the private school in Vera Cruz. All of these three girls mentioned the difference which the better quality of education had made in their lives. All of the girls were able to recognize some improvement in test scores after attending the private school. One of the participants (E) who still participates the public school, noted that her test scores had gotten better, but she did not make a comment as to whether it was because of the enrichment classes of ESTHERS that have helped her to do better at school.

Five out of eight participants noted that they had seen some sort of change in the community through the activities of ESTHERS. Eight out of eight people said that they had already recommended ESTHERS to someone, whether it was to a family member or to acquaintances in the community of Vera Cruz. It was obvious to perceive that ESTHERS as an organization has a good reputation in the community and numerous families desire to be part of its' activities.

All the mothers have participated different courses focused on life-skills at ESTHERS which have contributed to their education. ESTHERS has organized a variety of courses, from culinary classes to hygiene and art classes. All of the mothers interviewed agreed that participation in these kind of courses taught them important life skills. Learning behavioral skills was mentioned several times in the interviews and with the mothers and their daughters. Six out of eight people mentioned how they learned to respect others more through the activities of ESTHERS.

"A thing that I never thought that would happen to me was getting a sewing machine. I learned to sew and paint. I learned these skills without paying for them. I have learned a lot of things here… It wasn't just the sewing and painting. I learned to be more comprehensive and I became more educated. - - I was a little bit arrogant, I stressed about everything. So, I can say that a real change happened right here; learning about arts and I learned how to behave. I didn't greet anyone and I didn't talk to anyone before. – I learned that life shouldn't be that way, I needed to learn how to respect others." Participant (A)

"I learned to sew. I was just talking about it at home, that I had never used a sewing machine before. Never. I had no clue how to put a thread through a needle. I learned a lot through Esthers." Participant (B)

Each one of the mothers and daughters concluded that they had participated in at least some of the informative classes (nutrition, culinary, hygiene etc.) at ESTHERS which had provided educational opportunities to them. Also, the possibility of doing painting and sewing classes were mentioned by the participants A, B and D. Learning new skills as well as improvement in knowledge were the two out of seven perspectives on which all of the participants agreed that they had experienced improvement in their lives.

One of the participants (A) concluded, that the biggest impact in her life was starting her own micro-enterprise at her home. She was also able to extend her house making it more spacious for her work. As a remarkable change, she also noted the possibility of helping her neighbors nowadays. Another mother (C) concluded that ESTHERS impacted her family's unity and relationships positively. Having a chance to do a free course on sewing and painting with its free materials was recognized by one of the mothers (B). She also highlighted the impact of her daughter being able to study in a private school since there is a big difference between the public and private schools. One of the mothers (D) said that having her own business brought the biggest change into her own life.

These were the mothers' personal opinions about positive life changes after attending ESTHERS and ESTHERS contributing to a brighter vision of their future. These thoughts represented the existence of motivational life goals gained through the activities of ESTHERS which help to prevent the participants from getting involved with harmful and destructive lifestyles.

"*Esthers gave me an opportunity. – My neighbor just shared with me that rarely you see a single woman with two kids, living on her own. Because when people see a woman turning out like this, not being dependent on a man…. It is very rare." Participant (A)*

Behavioral changes and the incidence of a behavioral changes were seen almost in all of the participants' lives. Only one of the mothers did not mention about the behavioral changes in her own life.

4.3 Discovering effectiveness in a small nonprofit organization

Through the evaluation of ESTHER's outcomes it is possible to find effectiveness in their activities, both with the women and the children. The positive effects of behavioral and environmental changes *(social status, economic condition/educational program, community status, learning new skills, improvement in knowledge, behavioral changes and incidence of desirable activity)* were recognizable in most of the participants' lives.

4.3.1 Evaluating the achievements – Outcomes

The ideals of ESTHERS focus on the lives of the girls and their mothers. They desire to transform individual lives, families and communities. They target the lives of mothers and their daughters in the community of Vera Cruz, aiming to equip the young mothers with a business plan in order to help them to gain sustainable income through professional training in sewing and painting. They aim to strengthen these young girls with a Biblical foundation, train them on what exploitation as well as trafficking are and the risks of it in the community of Vera Cruz.

Through the evaluation of the achievements it is possible to conclude that ESTHERS has been able to contribute to the change and transformation of lives of the participants. This research aimed to understand whether ESTHERS has been able to achieve the outcomes set out for the organization, evaluating whether it was able to make a real difference to the lives of people in Vera Cruz. Concerning the change and transformation seen in the lives of the participants, through the use of qualitative research methodology and empirical data which consisted of participant observation and semi-structured interviews the achievements and outcomes are recognizable. The use of performance measurement successfully demonstrated that ESTHERS has achieved the goals set for the organization. The three main outcome perspectives which were improved condition, increased skills and modified behavior dimension indicated indicate that this type of performance measuring showed very positive results about the organization.

4.3.2 Improving nonprofit organization performance measurement at ESTHERS

Performance measurement's outcome measuring can be used for the future research in the nonprofit organization. One of the most practical ways to measure their performance is through the achieved outcomes because ultimately the change and transformation in people's lives can be only measured through the outcomes which evaluates the impact in the lives of the participants.

Performance measurement's outcome perspective helps the organization to focus on the contribution to the lives of young mothers and girls in the community of Vera Cruz. Through the focus on organizational objectives which are i. preventing sexual exploitation and child prostitution of girls between ages 4 to 18, ii. training mothers to become individual entrepreneurs creating sustainable futures for themselves and their families, transformation in the lives of individuals, families and communities and maintaining/improving participant's abilities through the use of a holistic approach these objectives can be reached by understanding what is the intellectual capital the organization needs to reach these objectives. This intellectual capital can be achieved through relations to participants, their family members and community. These outcomes can be measured in the case organization using factors such as improved condition, increased skills and modified behavior.

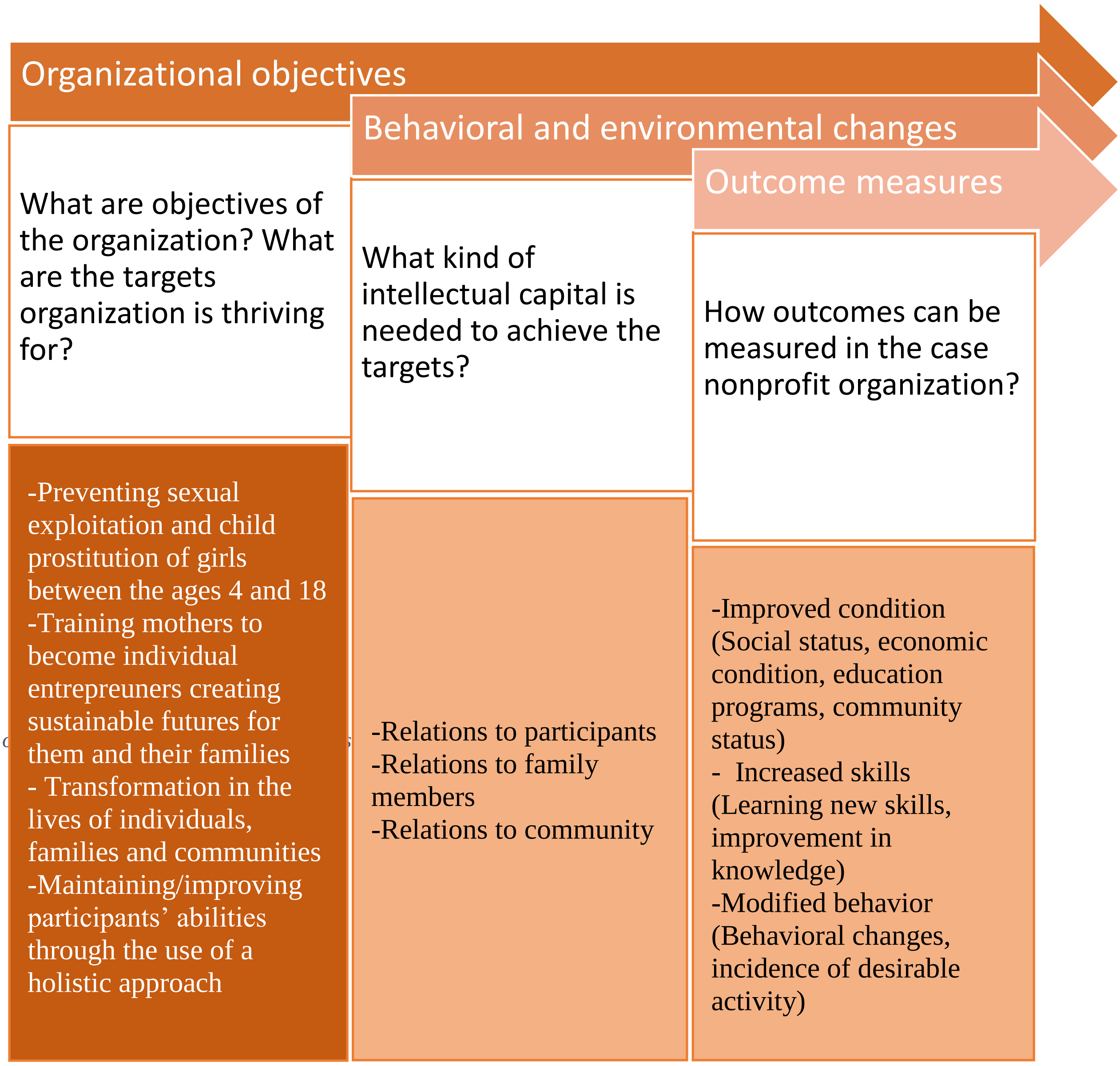

Figure 8. Framework of measurement development for ESTHERS. (Outcome perspective)

The framework of measurement development for ESTHERS was created for the case organization. As a first step, it defines the organizational objectives. Second, it determined the intellectual capital that is needed for the achievement of organizational targets. Third, it describes the way that the outcomes can be measured in the case organization.

5 CONCLUSIONS

5.1 Summary of the research

The purpose of this research was to describe and analyze nonprofit organizations' performance measurement and the evaluation of performance measurement's outcome perspective. To achieve this purpose, the research had three research questions.

1. What does a nonprofit organization's performance measurement consist of?

2a. How do nonprofit organizations evaluate their outcomes through performance measurement?

2b. Through the use of performance measurement's outcome perspective, how has the case organization contributed to the change and transformation of the lives of young mothers and their children?

The first part of the research focused on defining performance measurement and its role in nonprofit organizations as the literature review focused on the design of nonprofit performance measurement systems. The theoretical framework of the research was built from the six main perspectives of performance measurement. These perspectives were *inputs, outputs, outcomes, public value accomplishment, networks and institutional legitimacy* and *organizational capacity.* Based on the outcome perspective of performance measurement, this study focused on outcome measuring in nonprofit organizations.

The second part focused on examining the structure, development and use of *outcomes* in nonprofit organizations from the perspective of *behavioral and environmental changes*. The outcome measurement perspectives were adapted from Lampkin et al. (2006) as it gave an insight to the performance measurement's outcome dimensions. This model was adapted in the study to highlight the relations among the organizational objectives, behavioral and environmental changes and outcome measures. Figure 8 illustrates the framework that was developed for performance measurement development for the case organization. The framework seeks to find out the objectives of the organization, as well as the targets the organization is thriving for in order to improve the organization's performance measurement. Second, the framework aims to respond what kind of intellectual capital the organizations needs to achieve its targets. Third, the framework aims to find out how outcomes can be measured in the case nonprofit organization.

In this research, the outcomes were evaluated through three main perspectives (hypernyms), which were *improved condition, increased skills* and *modified behavior*. These three perspectives were divided into hyponyms, which included *social status, economic condition/education programs, community status, learning new skills, improvement in knowledge, behavioral changes* and *incidence of desirable activity.*

This research was qualitative in nature and adopted an evaluative approach called an action research, using participant observation as a method for data collection. Data was generated using a sample of eight respondents in Brazil. The participants came from different backgrounds and their ages ranged between 9 and 38. The semi-structured interview questions were based on the active research method which sought to evaluate the programs' impacts and to research the outcomes of the organization. The research also aimed to provide useful feedback to the case organization. As this method was applied, it led to reliable answers.

It was shown that through the performance measurement in the case organization it is possible to evaluate the achieved goals and to recognize what kind of intellectual capital is needed to achieve the targets of the organization. Performance measurement also alleviates the organization in recognizing the outcome measures that can be used for performance measurement to perceive whether the organization is reaching the required targets or not. Through the behavioral and environmental changes that are seen in the organization, it is possible to recognize whether the organization is truly contributing to the change and transformation of the lives of the individuals.

This research indicated that the case organization is making an impact in the lives of the mothers and their daughters through the functions of the organization. The three measures (*improved condition, increased skills* and *modified behavior*) showed that the participants' lives had encountered great changes after they had started to participate in the activities of ESTHERS. The impact of educational program, which, in this case meant the girls' participation at the local private school, showed, that all the girls who had received a scholarship for a private school shared about the positive impact it had made in their personal lives. Also, the three mothers who had started a micro-enterprise noted that their financial state had changed greatly for the better. The results indicated that this type of performance measurement, which is focused on the behavioral and environmental changes shows the contribution of the case organization and the change in the lives of the individuals. The action research showed that the more the case organization is involved in the lives of the mothers and their daughters, the more positive results are seen in their condition, skills and behavior.

As a final conclusion, it is possible to assume that performance measurement’s role is substantial in any nonprofit organization because it increases the knowledge about the organization’s current situation, whether it is about the inputs, outputs, outcomes, public value accomplishment, networks and institutional legitimacy or organizational capacity.

5.2 Theoretical contribution of the research

The theoretical contribution of this research is defined through three factors; the *methodological contribution, the contribution for the context and the contribution to theory.* Quantitative research methods are often used in the field of performance measurement, but this research used a qualitative evaluation method, aiming to understand more about performance measurement’s role and need in nonprofit organizations.

The methodological contribution was made by applying the research evaluation into this research. The participant observation offered another way of examining the field work which gave a deeper understanding about the topic. By using the qualitative evaluation method and analyzing the data generated through the information gotten during the fieldwork, the research produced deeper descriptions about the outcomes of the organization. The use of evaluative methods such as action research is highly recommended in similar situations.

The *contribution for the context* was produced by combining the theory of nonprofit organizations’ performance measurement and combining it with the context of outcome measuring. The outcome perspective is a used method to collect information in nonprofit organizations, especially through customer perspectives, but this research used a less common perspective, behavioral and environmental changes, to contribute for the context. Also, the cross-cultural nature of this thesis contributes for the context because it gives an insight about the impact in people' lives and how the changes and contributions of a nonprofit organization are seen in the lives of a certain people group who come from different cultural and social backgrounds. Most of the current research in this area has been focusing on performance measurement in the West, especially in the United States. Therefore, a research made in South America, more specifically in Brazil, brings about new perspectives to the nonprofit organization performance measurement field as well as for the context. This thesis contributes to the existing performance measurement literature on a global level.

This research contributes to existing literature because it conceptualizes performance measurement in nonprofit organizations through the outcome perspective. It offers insights into the development of performance measurement's role in a nonprofit organization. The *contribution to theory* is seen in this thesis as the research highlights the role of the customers of the nonprofit organization seeking to find out the outcomes of the case nonprofit organization.

5.3 Practical implications of the research

One of the first practical implications of this thesis is the understanding of performance measurement outcome perspective's value in any nonprofit organization as it produces information of the organization and its reached outcomes. It also encourages the whole organization to evaluate their objectives and targets informing them better whether they are reaching those goals or not.

The second implication is the understanding of the performance measurement's relation to the success of the organization as it exists for the managerial purposes of the organization. Performance measurement's outcome measures in nonprofit organizations alleviate them to understand more about the opinions and thoughts of their clients or customers, which will enable the organization to come closer to its vision. This study was not focused on the organization's staff's point of view on the reached outcomes but rather on the client or customer perspective. This way the personnel of the organization is able to evaluate the impact of their organization on the individual and community level.

The third implication of this research is the variety of perspectives that can be used for performance measuring in nonprofit organizations. One single criterion for performance measuring does not exist yet and therefore the flexibility and freedom given to nonprofit organizations can make them thrive in this area of performance measuring.

The fourth implication in this study recognizes the importance of participant observation as a method of data collection. It is strongly recommended that researchers in the performance measurement field do not only apply traditional techniques such as interviews and questionnaires, but other techniques as well in their studies to gain a better understanding of the performance measurement in nonprofit organizations.

5.4 Further research

Like any other study this research also had its limitations. However, these limitations can be seen as possibilities as they open a door for a further research. This study focused only on one country, namely Brazil. This study targeted only the one case organization instead of multiple organizations.

This study focused on individual-level factors more than other ones. Therefore, one of the forms of future research it would be interesting to do a study for a larger population in the case organization. Also, focusing on the customer or client satisfaction instead of the behavioral and environmental changes would give new insights. For the further research, it would be substantial to do a quantitative research instead of a qualitative one, which would focus on getting percentage of different indicators such as percent who graduate from high school, percent who move to the next level (condition, status), or percent who avoid undesirable course of action. This kind of study would require participation of all the participants attending the nonprofit organization. The most interesting subject for further research would be a long-term outcome measuring with the children participating in the case organization as the research could evaluate the changes and transformation in the lives of the participants in their adulthood.

REFERENCES

Literature

Annells, M. 1996. *Grouded Theory Method. Philosophical Perspectives, Paradigm of Inquiry, and Postmodernism.* Qualitative Health Research 6, 705-713.

Anttila, P. 1996. *Tutkimisen taito ja tiedonhankinta*. Helsinki: Akatiimi Oy.

Bagnoli, L. & Megali, C. 2009. Measuring Performance in Nonprofit Organizations. *Nonprofit and Voluntary Sector Quarterly 40 (1), 149-165.* SAGE Publications Inc.

Baird, K. 2016. The Effectiveness of Strategic Performance Measurement Systems. *International Journal of Productivity and Performance Management. 66 (1), 3-21.* Emerald Group Publishing Ltd.

Baroch, Y. & Ramalho, N. 2006. Communalities and Distinctions in the Measurement of Organizational Performance and Effectiveness Across For-Path and Non-Profit Sectors. *Nonprofit and Voluntary Sector Quarterly, 41 (3), 39-65.*

Behn, R. D. 1995. The Big Questions of Publig Management. *Public Administration Review, 55: 313-324.*

Behn, R. D. 2003. Why Measure Performance? Different Purposes Require Different Measures. *Public Administration Review, 63: 586–606.*

Berman, E. 2006. *Productivity in Public and Nonprofit Organizations*. Armonk, N.Y.: Routledge.

Bititci, U.S., Mendibil, K., Martinez, V., & Albores, P. 2005. Measuring and Managing Performance in Extended Enterprises. *International Journal of Operations & Production Management. 25, 333-353.*

BoardSource. 2010. The Handbook of Nonprofit Governance, John Wiley & Sons, Incorporated.

Boland, T. & Fowler, A. 2000. A systems perspective of performance management in public sector organizations. *International Journal of Public Sector Management, 13 (5), 417–446.*

Bourne, M., Mills, J., Wilcox, M., Neely, A., & Platts, K. 2000. Designing, implementing and updating performance measurement systems. *Journal of Operations & Production Management, 20 (7), 754-771.*

Bryman, A. & Bell, E. 2007. Business and Research Methods. Oxford University Press.

Bussin, M. 2013. *Performance Management for Government, Universities, Schools and NGOs : A Practical and Informative Textbook for Managing Performancein Service Delivery-orientated Organisations*. Randburg: KR Publishing.

Carnochan, S., Samples, M., Myers, Austin, M. J. Performance Measurement Challenges in Nonprofit Human Service Organizations. SAGE Publications. *Nonprofit and Voluntary Sector Quarterly, 43 (6), 1014 – 1032.*

Clarke, A. 1999. *Evaluation Research: An Introduction to Principles, Methods and Practice*. SAGE Publications.

Crotty, M. 1998. The Foundations of Social Research: Meaning and perspective in the research process. London: SAGE Publications Ltd.

Cutt, J. & Murray, V. 2000. *Accountability and Effectiveness Evaluation in Nonprofit Organizations.* Studies in the Managament of Voluntary and Non-profit Organizations. London: Taylor & Francis e-Library. (2) 224-225.

Denzin, N. and Lincoln, Y. 2005. *The SAGE handbook of qualitative research*. Thousand Oaks: SAGE Publications.

DeWalt, K. M. & DeWalt B. R. 2011. *Participant observation: A guide for fieldworkers.* Lanham, Md: Rowman & Littlefield cop.

Dubois, A. & Gadde, L-E. 2002. Systematic combining: an abductive approach to case research. *Journal of Business Research, 55 (2002), 553-560.*

Eskola, J. & Suoranta, J. 1998. *Johdatus laadulliseen tutkimukseen*. Tampere. Vastapaino.

Epstein, M. J. & Buhovac R. A. 2004. *Performance Measurement of Not-For-Profit Organizations.* The Society of Management Accountants of Canada and the American Institute of Certified Public Accountants Inc.

Eriksson, P. & Kovalainen, A. 2008. Qualitative Methods in Business Research. London: SAGE Publications.

Frederickson, D. G. & Frederickson, H. G. 2006. *Measuring the performance of the hollow state.* Washington, DC: Georgetown University.

Ghauri, P. N. & Grønhaug, K. 2005. *Research methods in business studies: A practical guide.* Pearson Education.

Gillham, B. 2000. *Case study research methods*. London; New York: Continuum 2000.

Gummesson, E. 2000. *Qualitative Methods in Management Research*. Thousand Oaks, CA: SAGE Publications.

Hall, J. L. 2013. Performance Measurement and Evidence-based Practice: A Practical Guide To Strategies Of Management Reform. *Paper presented at the annual meeting of the American Society For Public Administration, New Orelans, LA.*

Hall, P. D. 1994. *"Historical Perspectives on Non-Profit Organizations"* in Robert D. Herman & Associates. The Jossey-Bass Handbook of Leadership & Management. San Fransisco: Jossey-Bass Publishers.

Harris, J. 1998. Performance models: enhancing accountability in academe. *Public Productivity and Management Review, 22 (2), 135–139.*

Hatry, H. P. 2006. *Performance Measurement: Getting Results.* Washington DG: Urban Institute.

Herman, R. D. & Renz, D. O.. 2002. *Nonprofit Organizational Effectiveness: Practical Implications of Research On An Elusive Concept.* Kansas City: University of Missouri.

Herman, R. D & Renz. D. O. 1997. Multiple Constituencies and the Social Construction of Nonprofit Organization Effectiveness. *Nonprofit and Voluntary Sector Quarterly, 26 (2), 185-206.*

Holloway, J., Graham, F., Hinton, M. 1999. A vehicle for change?: A case study of performance improvement in the "new" public sector. *International Journal of Public Sector Management, 12 (4), 351-365.*

Huberman, M. A. & Miles M. B. 2002 *The Qualitative Researcher's Companion. Understanding and Validity in Qualitative Research.* Thousand Oaks: SAGE Publications.

Jones, S. C. & Riley, B. E. 2014. Impact And Excellence: *Data-driven Strategies For Aligning Mission, Culture & Performance in Nonprofit and Government Organizations.* John Wiley & Sons, Inc.

Jääskeläinen, A. & Sillanpää, V. 2013. Overcoming challenges in the implementation of performance measurement: Case studies in public welfare services. *International Journal of Public Sector Management, 26 (6), 440-454.*

Kalliola, S. 2014. *Evaluation as a Tool for Research, Learning and Making Things Better*. Cambridge Scholars Publishing.

Kaplan, R.S. & Norton, D.P. (1992), "The balanced scorecard – measures that drive performance". Harvard Business Review, January/February, 71-9.

Lee, C. & Nowell, B. 2014. A Framework for Assessing the Performance of Nonprofit Organizations. *American Journal of Evaluation. 36 (3), 299-319.* SAGE Publications.

Levers, M-J. D. 2013. Philosophical Paradigms, Grounded Theory, and Perspectives on Emergence. SAGE Publications Inc.

Lettieri, E., Borga, F., Masella, C. Savoldelli, A. 2004. *Performance Measurement in Non-Profit Organizations: How to link theory and reality?* In Marc J. Epstein and Jean Manzoni, F. *Performance Measurement and Management Control: Superior Organizational Performance.* Amsterdam; Oxford: Elsevier JAI 2004. 153- 172.

McHargie, S. K. 2003. *Learning for Performance in Nonprofit Organizations. 5 (2), 196-204.* SAGE Journals.

Micheli, P. & Kennerley, M. 2005. Performance measurement frameworks in public and non-profit organizations. *Production and Planning Control. 16 (2), 125-134.*

Miles, M. B & Huberman, A. M. *Qualitative Data Analysis. A Methods Sourcebook: 3rd Edition*. SAGE Publications.

Moxham, C. 2009. Performance measurement: Examining the applicability of the existing body of knowledge to nonprofit organisations. *International Journal of Operations & Production Management, 29 (7), 740-76.*

Moxham, C. 2009b. *Quality or quantity? Examining the role of performance measurement in nonprofit organizations in the UK.* Paper presented at the16th International European Operations Management Association Conference, Goteborg, Sweden.

Moulton, S. & Eckerd A. 2012. Preserving the Publicness of the Nonprofit Sector: Resources, Roles and Public Values. *Nonprofit and Voluntary Sector Quarterly. 41(4) 656-685.* SAGE Journals.

Murray, V. 2004. *The evaluation of organizational performance: normative prescriptions vs. empirical results.* Toronto: COI Conference.

Newcomer, K. & Brass, C. T. 2015. Forging a Strategic and Comprehensive Approach to Evalutation Within Public and Nonprofit Organizations: Integrating Measurement and Analytics Within Evaluation. *American Journal of Evaluation, 37 (1), 80 – 99.*

Newcomer, K. 1997. Using performance measurement to improve programs. In K. Newcomer (Ed.*), Using performance measurement to improve public and nonprofit programs*. San Francisco, CA: Jossey-Bass.

Niven, P. R. 2008. *Balanced Scorecard : Step-by-Step for Government and Nonprofit Agencies*. Hoboken, N.J.: Wiley.

Papadimitriou, D. 2007. Conceptualizing effectiveness in non-profit organizational environment: An exploratory study. *The International Journal of Public Sector Management, 10 (7), 571-587.* Emerald Group Publishing Ltd.

Patton, M. Q. 1986. *Utilization-focused evaluation.*2.nd. Beverly Hills: SAGE Publications.

Penna, R. M. 2011. *The nonprofit outcomes toolbox: A complete guide to program effectiveness, performance measurement, and results. Hoboken, NJ: John Wiley.*

Poister, T. H., Hall, J. L., & Aristigueta, M. P. 2014 Managing and Measuring Performance in Public and Nonprofit Organizations: An Integrated Approach. John Wiley & Sons, Inc.

Powell, W. W. & Steinberg, R. 2006. The *Nonprofit Sector: A Research Handbook*. New Haven: Yale University Press.

Radnor, Z. J. & Barnes, D. 2007. Historical Analysis Of Performance Measurement And Management In Operations Management. *International Journal of Productivity and Performance Management, 56 (5-6), 384-396.*

Richard, P. J., Devinney, T. M., Yip, G. S., & Johnson, G. 2009. Measuring organizational performance: Towards methodological best practice. *Journal of Management, 35 (3), 718–804.*

Rossi, P. H. & Howard, C. F. 1993. Evaluation: A Systemic Approach. 5th Ed. Newbury Park. CA: SAGE Publications.

Russell, B. H. 1994. Research methods in anthropology: qualitative and quantitative approaches (second edition). Walnut Creek, CA: AltaMira Press.

Saunders, M., Lewis, P., & Thornhill, A. Research method for business students. 2009. Harlow, Financial Times/Prentice Hall.

Sawhill, J. C. & Williamson, D. 2001. Mission impossible? Measuring success in nonprofit organizations. *Nonprofit Management & Leadership, 11 (3), 371–386.*

Schensul, S. L., Schensul, J. J., & LeCompte, M. D. 1999. Essential ethnographic methods: observations, interviews, and questionnaires (Book 2 in Ethnographer's Toolkit). Walnut Creek, CA: AltaMira Press.

Silverman, P. 2005. *Doing Qualitative Research. A Practical Handbook*. London: SAGE Publications.

Sowa, J. E., Selden, S., & Sandfort, J. No Longer Unmeasurable? A Multidimensional Integrated Model of Nonprofit Organizational Effectiveness. *Nonprofit and Voluntary Sector Quarterly, 33 (4), 711 – 728.*

Syrjälä, L., Ahonen, S., Syrjäläinen, E., & Saari, S. 1994. Laadullisen tutkimuksen työtapoja. Rauma: Kirjayhtymä.

Taysir, E. A & Taysir, N. K. 2012. Measuring Effectiveness in Nonprofit Organizations: An Integration Effort. *Journal of Transnational Management, 17 (3), 220–235.*

Tangen, S. 2005. Improving the performance of a performance measure. *Measuring Business Excellence, 9 (2), 4-11.*

Toivanen, Timo. 1999. Empiirinen sosiaalitutkimus filosofia ja metodologia. Porvoo: WSOY.

Virtanen, P. Arviointi: Arviointitiedon luonne, tuottaminen ja hyödyntäminen. Helsinki: Edita Publishing Oy.

Voss, C. Tsikriktsis N., & Frohlich, M. 2002. Case research in operations management, *International Journal of Operations & Production Management, 22 (2), 195-219.*

Weisbrod, B. A. 1988. The nonprofit economy. Cambridge, MA.: Harvard University Press.

Willems, J., Boenigk, S., & Jegers, M. (2014). Seven trade-offs in measuring nonprofit performance and effectiveness. *Voluntas, 25 (6), 1648-1670.*

Woodside, A. G. 2010. *Case Study Research: Theory, Methods and Practice*. Emerald Group Publishing Ltd.

.

Yasar, J. 2004. Performance measurement in the 21st century: from Performance measurement to Performance management. Emerald Group Publishing. *Business Process Management Journal 10 (5), 501-502.*

Yin, R. K. 2009. *Case Study Research, Design and Methods* (4th ed.). Thousand Oaks, California: Sage Publications, Inc.

WWW -pages

Dick, B. 2001. *Qualitative evaluation for program improvement*. A document prepared for and distributed at the IIR conference on evaluation. Brisbane, 7-8 September. Retrieved from: http://www.aral.com.au/DLitt/DLitt_P62qeval.pdf

Epstein, M. J. & Buhovac, A- R. 2009. Performance Measurement of Not-For-Profit Organizations.The Society of Management Accountant of Canada and the American Institute of Certified Public Accountants, Inc. Retrieved from http://www.ef.uni-lj.si/docs/osebnestrani/Not-for-Profit.pdf.

ESTHERS. 2013. Retrieved from http://www.estherschildren.org/.

ESTHERS. 2013a. What is ESTHERS?

ESTHERS. 2013b.

Harvard Business School. 2017. Retrieved from https://www.exed.hbs.edu/programs/pmno/Pages/default.aspx

HR Council. 2010. Trends and Issues. The Art of Performance Management, Nonprofit Style. Retrieved from http://www.hrcouncil.ca/documents/LMI_performance_management.pdf,

IRS. Excemption Requirements 501(c)(3) Organizations.Retrieved from https://www.irs.gov/charities-non-profits/charitable-organizations/exemption-requirements-section-501c3-organizations

Kawulich, B. B. 2005. Participant Observation as a Data Collection Method [81 paragraphs]. Forum Qualitative Sozialforschung / Forum: Qualitative Social Research, 6(2), Art. 43. Retrieved from http://www.qualitative-research.net/index.php/fqs/article/view/466/996. 03.11.2017

Lampkin, L. M., Winkler, M. K., Kerlin, J., Harry, H. P., Natenshon, D., Saul, J., Melkers, J., & Sheshadri, A. 2006. Building a common outcome framework to measure nonprofit performance. Washington, DC: The Urban Institute. Retrieved from http://www.urban.org/publications/411404.html

Making Organizations Better with Performance Management. 2007. Minnesota Council of Nonprofits. Retrieved from http://www.minnesotanonprofits.org/nonprofit-resources/management-hr/program-evaluation/making-organizations-better-with-performance-management.

Principles of Management. The Roles of Mission, Vision and Values. Retrieved from http://open.lib.umn.edu/principlesmanagement/chapter/4-3-the-roles-of-mission-vision-and-values/

Sawhill, J & Williamson, D. 2001. Measuring what matters in nonprofits. McKinsley Quarterly. Retrieved from http://www.mckinsey.com/industries/social-sector/our-insights/measuring-what-matters-in-nonprofits.

Schorn, A. 2000. The "Theme-centered Interview". A Method to Decode Manifest and Latent Aspects of Subjective. Forum: Qualitative Social Research, Retrieved from http://nbn-resolving.de/urn:nbn:de:0114-fqs0002236.

Shapiro, J. 2002. Monitoring and evaluation. CIVICUS. World Alliance for Citizen Participation. Retrieved from http://www.civicus.org/view/media/Monitoring%20and%20Evaluation.pdf.

Trochim, W. M. K. 2006. *Introduction to evaluation.* Retrieved from http://www.socialresearch-methods.net/kb/interval.phb.

APPENDIX 1

Convite para entrevista

Querida A,

Eu estou fazendo uma pesquisa em relato da tese de meu mestrado e gostaria de convida-la a fazer parte deste estudo.

Primeiro quero te agradecer por fazer parte dessa pesquisa e dar seu tempo valioso para os propositos deste estudo.

Alguns requisitos para os entrevistados foram estabelecidos no inicio do estudo. Eu estou entrevistando maes e suas filhas que fizeram parte do Esthers por mais de um ano, que conhecem a funcao e atividades do Esthers; estando ativamente envolvida com o Esthers. Outros requisitos desta entrevista foram que as maes aprenderam uma maneira de sustentar suas familias atraves do Esthers e que a sua filha tem mais do que 10 anos de idade.

A entrevista vai durar de 15 minutos ate 45 minutos dependendo da duracao das respostas e perguntas adicionadas que serao feitas para esclarecer as respostas que foram dadas.

O metodo da entrevista vai ser a observacao do participante que me permite entender mais em relacao ao topico que esta sendo pesquisado e este metodo oferece uma opurtunidade para desenvolver uma compreensao aprofundada do assunto.

Mais uma vez eu quero te agradecer por sua participacao neste estudo e quero destacar o fato que todas as entrevistas sao mantidas em sigilo.

Atenciosamente,

Noona Hennes
Estudante de administracao financeira,
Estudante de mestrado
University of Tampere, Finland

APPENDIX 2

1. PARTE
1. Idade - Age
2. Onde voce nasceu? – Where were you born?
3. Quantas criancas voce tem? – How many children do you have?
4. Voce e casada? – Are you married?
5. Como voce sustenta sua familia? Valor por mes? Quem na sua casa esta trabalhando? - How do you sustain your family? Income per month? Who is working in your household?
6. Quantas pessoas moram na sua casa? - How many people live in your house?
7. Onde voces moram? - Where do you live?
8. Quando voce comecou fazer parte das atividades do ESTHERS? - When did you start participating the activities of ESTHERS?
9. Compartilhe seus pensamentos sobre viver na comunidade de Vera Cruz? - Share your thoughts on living in the community of Vera Cruz?
10. Como voce soube sobre ESTHERS? How did you find out about ESTHERS?
2. PARTE
1. Quais os tipos de habilidades (vida, individual) voce obteve traves do ESTHERS? - What kind of skills (individual, life) have you gained and learned through ESTHERS?
2. Como voce usa essas novas habilidades ou informacoes que voce ganhou em sua vida diaria? - How do you use these new skills or information in your every-day-life?
3. Como ESTHERS contribuiu para sua educacao? How has ESTHERS contributed to your education?
4. Qual foi o maior impacto do ESTHERS em sua vida diaria? What has been the greatest impact of ESTHERS in your personal life?
5. Como o ESTHERS contribuiu para mudanca de seus familiares? How has ESTHERS contributed to the change of your household?
6. Voce ja recomendou o ESTHERS para alguem? Have you recommended ESTHERS to anyone?

7. Como o ESTHERS contribuiu para a mudanca da sua propria vida? How did ESTHERS contribute to the change of your own life?
8. Qual e a maior mudanca que aconteceu devido ao ESTHERS? What has been the greatest impact of ESTHERS in your personal life?
9. Mudanca na vida- espiritualmente, mentalmente, fisicamente/saude, psicologicamente, emocionalmente. Change in your personal life spiritually, mentally, physically, psychologically, emocionally.
10. Qual e o impacto que voce tem visto na comunidade de Vera Cruz atraves do ESTHERS? What are the changes you've seen in the community through ESTHERS?
3. PARTE
1. Qual e o impacto que voce tem visto na comunidade de Vera Cruz atraves do ESTHERS? What is the impact that you have seen through ESTHERS in the community?
2. Qual e' o seu sonho para o seu future? What is your future's dream?
3. Como o ESTHERS poderia ajudar voce a alcancar o sonho que voce tem? How could ESTHERS help you in reaching this dream?
4. Qual e' sua visao para trazer uma vida sustentavel para sua familia? Como nos Podemos trabalhar juntos para alcancar sua visao? How can you bring sustainable life to your family? How can we work together to reach this vision?

APPENDIX 3

1. Participating the functions of ESTHERS has increased the well-being of our family.
2. Participating the activities/functions of ESTHERS has increased the well-being of our child.
3. The worth and value of my life has increased in my own opinion after starting the activities at ESTHERS.
4. The level of my education has increased after starting the activities at ESTHERS.
5. The support we have received from ESTHERS has helped amongst the relationships between the siblings in the family.
6. The support we have received has increased my quality of life.
7. The future looks brighter to me and more positive after participating ESTHERS.
8. The family dynamics has changed for the better after participating ESTHERS.