

# **Management innovation in nonprofit organizations: An explorative study of the antecedents**

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**Abstract :**

This study explores the antecedents of management innovation in nonprofit organizations. Several research on management innovation have highlighted the antecedents within firms while nonprofit organizations have been neglected, except very few articles on administrative innovation. Yet the strong growth of the nonprofit sector has given rise to new management issues within nonprofit organizations which represent a specific and original organizational context to investigate. This is why we have conducted a study case in two International Nongovernmental Organizations (INGOs) which have introduced a similar management innovation. We seek to identify antecedents of management innovation through the nonprofit organization specificities. On the one hand, our study underlines that nonprofit organizations present specific antecedents: a balanced culture of innovation and the fundraising difficulties. On the other hand we noted some of the antecedents that have already found in studies within firms: the role of internal human agency represented by an experienced mixed staff in nonprofit organizations; the internal communication which is based on trust in nonprofit organizations; the external networks characterized by a direct participation of external change agents or interorganizational relationships providing information from prior adopters. Then, we discuss theoretically our results which contribute to both literature on management innovation and literature on innovation in nonprofit organizations.

**Keywords:** *Management innovation, antecedents, nonprofit organizations, INGOs, Study Case*

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## INTRODUCTION

Since the pioneer works undertaken by Schumpeter (1934), research on the different types of innovation have considerably raised. Innovation is perceived as a key factor of success in an increasingly worldwide and competitive economy. According to the results of the *Community Innovation Survey 8* (CIS 8, 2012), the type of innovation mostly adopted by European companies is management innovation. Damanpour (2014) presents management innovation as nontechnological innovations leading to new organizational structures, administrative systems, and management practices. He includes in this consensual definition primary works on administrative and organizational innovation (Evan 1966; Damanpour & Evan 1984; Damanpour 1991). A number of authors have highlighted the competitive advantage gained by the introduction of management innovation (Hamel, 2006; Damanpour et al. 2009; Mol & Birkinshaw 2009; Volberda et al. 2013). Although a recent renewal of interest, scholars have yet mainly focused their research on technological innovation. Several systematic reviews of the innovation literature reported that management innovation has been much less studied (Birkinshaw & Mol 2006; Keupp et al. 2012). For example, Crossan and Apaydin (2010) have used a sample of 524 articles published in ten major economic and management journals<sup>1</sup> from 1981 to 2008 and they have found that only 3% of the articles that clearly identified innovation types deal with management innovations.

Moreover, we noticed that this emerging field of research has been concentrated principally on companies. Surprisingly, the nonprofit sector has been neglected whereas the Third Sector plays increasingly a major economic role (Anheier, 2014; Salamon, 2012). For instance, the nonprofit sector is the largest workforce of any U.S industry because the staff of almost 2 million nonprofit organizations represent 18 millions of full-time equivalent workers (Salamon, 2012). The growth of this sector has led to structural changes like the professionalization of the organizations, in which new management issues have accordingly emerged (Hatten, 1982; Hwang & Powell, 2009). Some specific features outline the need to distinguish the nonprofit organizations, in particular an organizational mission focused on social objectives and not looking for profit goals, a heavy external resource dependence on funders, and a complex diversity of stakeholders (Moore, 2000; Ridder & McCandless, 2010; Anheier, 2014). These specific characteristics lead to unique management challenges for nonprofit organizations such as recruitment, retention and cohabitation of diverse internal stakeholders and the extreme

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<sup>1</sup> Research Policy, Strategic Management Journal, Journal of Product Innovation Management, Management Science, Academy of Management Journal, Organization Science, Regional Studies, Administrative Science Quarterly, Academy of Management Review, and Rand Journal of Economics (Crossan & Apaydin, 2010, p. 1159).

responsibilities regarding external stakeholders especially the funders (Stone & Brush, 1996; Hull & Lio, 2006; Wellens & Jegers, 2014). Further to the trend of nonprofit organizations to have business-like practices like managerialism and rationalization, while they have to achieve a social mission as a priority, the combination of different internal stakeholders between the paid and professional staff and the volunteers could be source of management tensions (Hwang & Powell, 2009; Kreutzer & Jäger, 2011; Sanders & McClellan, 2014). Besides, innovation in nonprofit organizations is as important as in the for-profit sector and appears for scholars and practitioners as one of the best way to face the growing environment uncertainty and competition (Jaskyte 2004; Jaskyte & Dressler 2005; Choi 2014). Nonprofit organizations are particularly leaders in innovations addressing social issues (Dover & Lawrence, 2012).

Considering that nonprofit organizations have to tackle numbers of specific management issues, that innovation represents a main characteristic of these organizations, and that their production processes are highly based on human inputs and intangible factors (Veltri & Bronzetti, 2015) like the process of management innovation (Volberda et al., 2014), nonprofit organizations may be a fruitful and specific field of research for management innovation.

Nonetheless, studies on management innovation in the frame of nonprofit organizations are even scarcer than the for-profit sector. Very few research have tried to address this theoretical and empirical gap. The first empirical studies have dealt with the antecedents of administrative innovation in nonprofit organizations (Jaskyte & Kisieliene, 2006; Jaskyte & Lee, 2006; Jaskyte, 2011). These only three articles are far from being sufficient and tend to be followed because they lead to controversial results. Additionally, the recent literature on management innovation have not been considered while it provides crucial information on the antecedents, in particular the role of human agency theorized by the researchers of the *Management Innovation Lab* (founded by Birkinshaw and Hamel at the London Business School). Drawing on this issue, we sought to answer the following question: What are the antecedents of management innovation in the specific organizational context of nonprofit organizations?

From a literature review of management innovation antecedents and the specific context of nonprofit organizations, we justified our research issue. To achieve this research objective, we have conducted an explorative study case in two International NonGovernmental Organizations (INGO's). First we find new antecedents of management innovation specific to nonprofit organizations: a balanced culture of innovation and the fundraising difficulties. Then, our results underline the role of human agency represented in nonprofit organizations by the diverse experiences of a mixed staff whose innovative ideas are diffused thanks to internal communication based on trust. Nonprofit organizations collaborate also with external change

agents who are directly involved in the process of management innovation or they could get external sources of knowledge about management innovation from interorganizational relationships with prior adopters. Finally, we noticed that motivations of nonprofit organizations to introduce a management innovation are both improving their organizational effectiveness and acquiring external legitimacy. We theoretically discuss these main findings to develop six propositions.

This paper contributes to the literature on management innovation through an explorative study case in an original and specific organizational context. The results of this study suggest that a particular organizational context with specific management challenges may impact the antecedents of management innovation. Alongside, the literature on innovation in nonprofit organizations is still very poor and this paper contributes also to this literature which lacks from knowledge about management innovation. From our findings, we advanced some managerial implications for nonprofit practitioners. This research shows the relevance to continue to address the existing gaps in the literature of management innovation (Volberda et al. 2013; Damanpour, 2014) but also in innovation in nonprofit organizations (Jaskyte, 2004, 2011). This paper opens actually a wide range of future research on the management innovation process in the organizational specific context of nonprofit organizations.

## **1) LITERATURE REVIEW**

### **1.1) ANTECEDENTS OF MANAGEMENT INNOVATION**

The antecedents of management innovation have been investigated from the first fruits of the concept (Evan, 1966; Kimberly & Evanisko, 1981; Damanpour, 1991) to the recent resurgence (Damanpour and Schneider 2009, Mol and Birkinshaw 2009, Volberda et al., 2013).

Damanpour and Aravind (2012) have noticed that organizational and managers' characteristics have been mostly analyzed this last decades. More recently, the rationale school of thought has rather fostered the role of human agency which is at the core of the management innovation process (Hamel, 2006; Birkinshaw et al. 2008, Mol & Birkinshaw, 2014).

#### **1.1.1) Organizational factors**

Daft's (1978) theory on management innovation relies on a top-down process emerging from the administrative core. Based on empirical studies confirming this theory like Gosselin (1997), Damanpour and Aravind (2012) support the positive effect of formalization and centralization on the introduction of management innovation. So do the organizational size according also to different empirical studies (Kimberly and Evanisko, 1981; Damanpour & Schneider, 2006; Mol and Birkinshaw, 2009). Large organizations have more resources to hire professional and

skilled workers. Resources enable investments in innovation and they could benefit from economies of scope to spread the risk of failure (Damanpour & Aravind, 2012). According to Vaccaro et al., (2012), size is a moderator of the relationships between leadership and management innovation. Transformational leadership is more adapted for large organizations to face its complexity and let management innovation emerge. Transactional leadership, in contrast, help smaller, less complex, organizations to promote the initiation of management innovation.

### **1.1.2) Managerial factors**

Three main characteristics of managers are positively related to the introduction of management innovation. First, manager's tenure allow him to introduce innovation because he has developed skills and legitimacy thanks to his experiences (Damanpour & Schneider, 2006, Volberda et al., 2013). Then, Damanpour (1991) underlined that a positive managerial attitude toward change facilitate the introduction of management innovation. Finally, manager's education could lead to management innovation through its ability to break down internal barriers, to purpose creative solutions to complex problems, and inspire receptivity to new ideas (Damanpour & Aravind, 2012, Volberda et al., 2013).

### **1.1.3) Role of human agency**

The rationale school of thought led by Birkinshaw et al. (2008) has highlighted the role of human agency with the collaboration of both internal and external change agents. On one hand, internal change agents could get knowledge from external sources and either transform the existing practices into new practices or adopt it without adaptation (Mol and Birkinshaw, 2014; Volberda et al. 2014). They could also make use of their previous external experiences to purpose new practices within their current organizations (Mol & Birkinshaw, 2014), knowing that Damanpour (1991) has pointed out the importance of internal communication to forward new ideas whose amount and diversity lead to cross-fertilization within firms. On the other hand, external change agents could provide direct inputs by generating new ideas and lead experimentations within the firm (Mol & Birkinshaw, 2014).

### **1.1.4) Interorganizational factors**

Moreover, the organization should belong to external networks to develop relations with organizations, which have already introduced a similar management innovation, in order to get feedbacks about these prior adopters (Damanpour, 1991; Damanpour & Schneider, 2006; Damanpour & Aravind, 2012; Volberda et al., 2013).

## **1.2) A SPECIFIC ORGANIZATIONAL CONTEXT: A SPECIFIC MANAGEMENT CHALLENGE**

### **1.2.1) Definition of nonprofit organizations**

Nonprofit organizations are founded by a group of people who decided to gather around shared values. They are structured around a social mission such as financing, promoting or realizing programs with positive social impact (Quarter & Richmond, 2001, Anheier 2014). The nonprofit sector is characterized by a high diversity of organizations, delivering services in plenty fields such as welfare, education, health care, humanitarian relief, international and local development, culture, etc... Despite this heterogeneity of activities, nonprofit organizations present some core characteristics according to an important cross-national comparison of the nonprofit sectors in 13 countries<sup>2</sup>, launched by *The Johns Hopkins University* with the collaboration of local researchers in each country. Five main characteristics have led to a consensual definition between them:

organized *i.e.* possessing some institutional reality; private *i.e.* institutionally separate from government; non-profit-distributing *i.e.* not returning any profits generated to owners or equivalents; self-governing and voluntary *i.e.* being non-compulsory in nature and with some degree of voluntary input. (Salamon & Anheier 1997)

### **1.2.2) The importance of organizational culture and trust**

In nonprofit organizations, the organizational culture is prominent (Jaskyte, 2004, Jaskyte and Dressler, 2005) and the activities are motivated by the core organizational values shared by the stakeholders (Tonkiss & Passey, 1999). The organizational culture and associated values appear like the driving force of nonprofit organizations so that they influence the work of the management and governance (Jeavons, 1992; Kaine & Green, 2013) and the human resource management is value-driven (Ridder and McCandless, 2010). The activities of a nonprofit organization should stay congruent with its organizational values and social mission in order to preserve the motivation of the staff and facilitate the work of managers (Brown & Yoshioka, 2003; Kim & Lee, 2007; Kaine & Green, 2013).

Mutual trust is important for the internal relationships within nonprofit organizations which try also to develop trust externally (Tonkiss & Passey, 1999). Even if nonprofit organizations are more and more closely controlled by watchdogs, nonprofit organizations have to address a fundamental issue of getting trust from its stakeholders, in particular from funders because they are extremely dependent on external resources (Sargeant & Lee 2002).

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<sup>2</sup> Seven developed countries: U.S.A, United Kingdom, France, Germany, Italy, Sweden, and Japan.  
Five developing countries: Brazil, Ghana, Egypt, India, Thailand and Hungary.

### 1.2.3) A multiplicity of stakeholders, a multiplicity of responsibilities

Nonprofit organizations have no shareholders but they are organized in a holistic way with numerous stakeholders. The multiplicity of stakeholders, such as volunteers, employees, governing boards, private donators, public funders, other nonprofit organizations, local authorities, beneficiaries, customers, suppliers *etc...*, affects directly the work of nonprofit organizations. Therefore nonprofit managers have to handle with a major issue of divergent and conflicting interests between them (Stone & Brush, 1996; Bouckaert & Vandenhove, 1998; Stone et al., 1999; Ridder & McCandless, 2010). Hatten (1982) adds that this diversity of stakeholders raises also managerial tensions because of the responsibilities given to different stakeholders with divergent point of views. In a literature review, Wellens and Jegers (2014) emphasize the focal issue of multiple stakeholder's management in nonprofit organizations, through an extension of the stakeholder theory (Parmar et al. 2010).

Internally, nonprofit organizations have a specific and complex human resource management of recruiting a mixed staff between paid, professional employees, volunteers and episodic volunteers (Ban et al. 2003; Ridder & McCandless 2010; Hyde et al. 2016). This diversity of internal stakeholders means divergent interests and motivations between them (Hatten, 1982; Ridder and McCandless, 2010, Kreutzer & Jäger, 2011) which complicate further their retention and cohabitation. (Jamison 2003; Netting et al. 2005; Garner & Garner 2011; Anheier 2014). Externally, a high level of responsibilities emerge from the different stakeholders' needs and requirements (Moore, 2000; Wellens and Jeggers, 2014). According to Hull and Lio (2006) nonprofit managers may come up against these extreme responsibilities in their decision-making process, and especially when innovation opportunities arose.

Figure 1: The specific organizational context of nonprofit organizations (NPO's)



### **1.3) ANTECEDENTS OF INNOVATION IN NONPROFIT ORGANIZATIONS**

#### **1.3.1) Cultural factors**

According to several researchers, organizational culture plays a role in the process of innovation in nonprofit organizations. Jaskyte (2004) found that a strong organizational culture could restrain nonprofit organization innovativeness whereas the innovation and aggressiveness values have a positive impact (Jaskyte & Dressler, 2005). Indeed, innovation should be a value assimilated in the nonprofit organization culture in order to let new ideas flourish and be taken into consideration (Choi & Choi 2014), whilst also developing a system of rewarding it (Zimmermann 1999). Unlike the for-profit sector, this system should considerate that the incentives of nonprofit staff are more the social impact of their work than a high pay level (Borzaga & Tortia, 2006; Hull & Lio, 2006). Nonetheless, gathering the staff around the same incentives remain a challenge for nonprofit organizations because their staff is heterogeneous as advanced earlier (Ridder & McCandless, 2010; Kreutzer & Jäger, 2011). According to McDonald (2007), nonprofit organizations with a clear and motivating organizational mission are more likely innovative. Barczak et al., (2006) supported that innovation has to fit with the organizational social mission to succeed in nonprofit organizations.

#### **1.3.2) Interorganizational factors**

Hull and Lio (2006) emphasize external sources as the most effective factor of innovation adoption in nonprofit organizations. Interorganizational relationships developed by nonprofit organizations have a positive impact on the process of innovation (Osborne & Flynn, 1997; Mulroy & Shay, 1997). Chao (2009) highlights the role of intermediary organizations in helping nonprofit organizations to introduce innovation for long term development.

In this emerging literature on innovation in nonprofit organizations, only very few studies have yet precisely focused on the relationship between the antecedents of innovation and specifically the innovation type. Regarding management innovation, we noted three articles dealing with administrative innovation (Jaskyte & Kisieliene, 2006; Jaskyte & Lee, 2006; Jaskyte, 2011). Administrative innovation has been recently included in the concept of management innovation by Damanpour (2014) (see introduction).

### **1.4) FIRST STUDIES ON ADMINISTRATIVE INNOVATION IN NONPROFIT ORGANIZATIONS**

In a quantitative study, Jaskyte (2011) aimed at identifying predictors of administrative innovation with the test of organizational factors: centralization, specialization, formalization and size. She have also examined transformational leadership, the executive director's tenure and the strength of organizational culture. She found that only centralization and

transformational leadership are positive predictors of administrative innovation and the executive director's tenure is negatively related. She did not find any significant results about formalization, size and the strength of organizational culture. However, Jaskyte and Kisielene (2006) found previously no relationships with transformational leadership but a positive one with organizational culture and the values of team orientation and stability. Therefore, the impact of the organizational culture and the leadership on administrative innovation is still confused. Both of them affirmed that the link between leadership and organizational culture should be studied to shed the light on the antecedents of administrative innovation. Jaskyte and Lee (2006) underlined that interorganizational relationships could be a source of administrative innovation especially by providing technical assistance.

### 1.5) THEORETICAL GAP AND RESEARCH INTEREST

Following on the integrative framework of Damanpour and Aravind (2012) and Volberda et al. (2013), we summarize the main antecedents of management innovation in the for-profit sector. On the other hand, we highlight the few and controversial results from the only three articles dealing with administrative innovation in nonprofit organizations (Jaskyte & Kisieliene, 2006; Jaskyte & Lee, 2006; Jaskyte, 2011). (Table 1)

Table 1: A summary of the management innovation antecedents suggested in the literature.

	For-profit sector (following on Damanpour et Aravind (2012) and Volberda et al. (2013))	Nonprofit organizations (Jaskyte & Kisieliene, 2006; Jaskyte & Lee, 2006; Jaskyte, 2011).
Organizational factors	<ul style="list-style-type: none"> <li>- Centralization</li> <li>- Formalization</li> <li>- Size</li> </ul>	<ul style="list-style-type: none"> <li>- Centralization</li> <li>- Formalization (Any significant result)</li> <li>- Size (Any significant result)</li> <li>- <i>Organizational culture* (unclear)</i></li> </ul>
Managerial and leadership factors	<ul style="list-style-type: none"> <li>- Leadership</li> <li>- Manager's tenure</li> <li>- Manager's education</li> <li>- Manager's attitude toward change</li> </ul>	<ul style="list-style-type: none"> <li>- <i>Transformational leadership* (unclear)</i></li> <li>- Executive director's tenure</li> </ul>
Human agency	<ul style="list-style-type: none"> <li>- Internal change agents</li> <li>- Internal communication</li> <li>- External change agents</li> </ul>	(Unexplored)
Interorganizational factors	- Participations to external networks with prior adopters	- Interorganizational relationships

Firstly, we noticed that organizational variables, which were found by researchers in the for-profit sector, have already been tested in nonprofit organizations by Jaskyte (2011). Secondly, organizational culture and leadership seem important factors of management innovation in nonprofit organizations but remain unclear (\* represented by *italics* in table 1). Thirdly, the recent literature on the antecedents of management innovation have not been considered by these three articles because they used only an older literature associated with the older terminology that is administrative innovation. This is why the role of human agency, which has been theorized recently, has not been investigated in these handful articles. Last but not least, the authors of these articles have only tested some variables already found in previous research on management innovation in the for-profit sector, except the organizational culture. As this strategy of research were fulfilled by the authors with quantitative methods, it has not given the possibility to find new antecedents which could be specific to the organizational context of nonprofit organizations. Thus, the antecedents of management innovation in nonprofit organizations have to be explored, and now with a qualitative approach to investigate deeply this research issue:

*What are the antecedents of management innovation in the specific organizational context of nonprofit organizations?*

## **2) METHOD**

### **2.1) A STUDY CASE**

A case study is appropriate to start with the exploration of a little known concept such as management innovation, all the more that it is here confronted to a specific organizational context. This qualitative method is indeed adapted to understand a complex organizational phenomenon (Eisenhardt, 1989; Yin 2009). Besides, this study of management innovation in nonprofit organizations follows also on the social research methods, in which the qualitative case study is dominant (Bryman 2012; Kaine & Green 2013). Some researchers on management innovation have already used a study case like recently Khanagha et al. (2013). Furthermore, the very first research on administrative innovation in nonprofit organizations use quantitative methods. Based on Volberda et al. (2013) recommendations of methodological pluralism for the future research on management innovation, a qualitative approach is here necessary to have a deeper and larger analysis.

### **2.2) CASE SELECTION**

The nonprofit sector is heterogeneous with diverse types of organizations (Anheier, 2014; Salamon, 2012). The issue was to find a field of investigation typical of the major characteristics

of nonprofit organizations and *à priori* open to management innovation. First, we chose International Non-Governmental Organizations (INGOs) because they are representative of the nonprofit sector growth and professionalization. INGOs present the five consensual characteristics described previously (see section 1.2.1) and have grown strongly this recent decades. The number of INGOs has doubled from 22 000 INGOs in 1990 to 56 000 in 2010 (Anheier, 2014). This growth has gone along with the emergence of a professionalization process which has led to new and specific management issues. Then, INGOs are now confronted with a complex geopolitical and economical context. They have to tackle the rising humanitarian and social problems caused by the current multiple political crisis around the world while they have to handle with the budget cuts of funders from the economic crisis in 2007. Management innovation may be an appropriate solution to reach these organizational goals of sustaining efficiently the growth of social activities. Finally, we chose INGOs because the international dimension of an organization is positively related to management innovation (Mol and Birkinshaw, 2009).

Theoretical representation, diversity and wealth of data were the criterion used to select the cases (Yin, 2009). Based on these criterion, we decided to realize this study case in two INGOs which have adopted the same type of management innovation, drawing on the *Community Innovation Survey* (CIS) typology that Damanpour (2014) considered as the most relevant. Therefore we have selected two INGOs that we will called INGO 1 and INGO 2 to respect the requirements of confidentiality. Both of them have introduced a new method of organizing work, responsibilities and decision-making.

### **2.3) CASE PRESENTATION**

The two INGOs investigated present some common points without being totally similar (see Table 2). In 2011, INGO1 introduce a management innovation after a first pilot phase launched in 2010. In summary, it corresponds to a systemic transformation of the organization through a decentralization of power from the headquarters to the field teams in order to give them more responsibilities and decision-making. This innovation aim at increasing the autonomy and empowerment of managers on the field while developing their leadership and responsibility. In parallel, the role of the staff within the headquarters should be more turned towards consulting and monitoring aspects than systematic heavy going control. The objective of this management innovation is indeed to resolve a problem of administrative burden, which affected the organizational efficiency. The INGO1 wanted to promote the skills and the expertise of the staff through giving them more flexibility in the decision-making process. For example, managers on the field have more autonomy to achieve their recruitment process. Official guidelines of

project management have been strongly adapted to integrate the new decision making-process. This innovation represent actually one of the three management innovation types specified by the CIS typology and validated by Damanpour (2014): new business practices for organizing procedures; new methods of organizing external relations with other organizations and finally new methods of organizing work responsibilities and decision making, like our study case. Such as INGO 1, a similar process of decentralization have been introduced by INGO 2 with comparable organizational transformations, starting from 2012.

The decentralization process of the INGOs has been systemic because it involved all the functions of the organization and changed deeply the work and staff organization, the management model and the administrative process (Mol and Birkinshaw, 2014). Organizational charts have been modified, job descriptions and missions have been adapted and new job positions were created in order to help the implementation of this structural change. Besides the degree of novelty is at the organizational level because this management innovation is new to the firm but not new to the state of the art of management (Volberda et al., 2014, Mol and Birkinshaw, 2014).

#### **2.4) DATA COLLECTION AND ANALYSIS**

The investigation is based on both primary and secondary data, including internal and external sources. We conduct exploratory and semi structured interviews within two INGOs. We started by 4 exploratory and open interviews: 2 interviews with the Director of Operations of INGO1 and 2 interviews with the C.E.O of INGO2 to have a first better understanding of management innovation in nonprofit organizations and discuss the relevance of following the investigation within their organizations. Then we conduct 12 semi structured interviews within the two INGOs by diversifying hierarchical levels and headquarters/field staff. Senior officers, program and project managers, administrators and coordinators in operations and support functions have been interviewed. Building our interview guidelines on the literature, the interviews lasted forty eight minutes in average and have been transcribed to be coded. The thematic coding was done from the literature but was still open to new theme emerging from the field. Moreover we have triangulated this collection of primary data with a deep analysis of plenty internal data, resulting from a number of studies led internally by the organization and also with the collaboration of consultants throughout the management innovation process. For instance, we had access to the documents of qualitative studies led by consultants in the INGO1 before the initiation of management innovation in two countries where 40 semi-structured interviews and field observations have been realized for each country. Another example, the results of the pilot phase were available thanks to statistic surveys answered by 312 respondents and internal

detailed reports. We used all of these qualitative and statistics data from these previous studies and also from numerous internal documents such as presentations of the innovation project, operational guidelines, internal reports, manager handbooks and detailed new job descriptions. External documents such as annual reports and official websites have been examined too.

Table 2: A comparative description of the two INGOs investigated

<b>Organizations</b>	<b>INGO 1</b>	<b>INGO 2</b>
<b>Date of creation</b>	1979	1991
<b>Social Mission</b>	Tackling the issue of malnutrition around the world, especially during and after disasters.	Alleviating the suffering of the poorest people in France and around the world.
<b>Founding values</b>	Independence, Neutrality, Nondiscrimination, Free and direct access to the victims, Professionalism, Transparency	Independence, Neutrality, Impartiality, Respect, Responsibility, Risk-taking
<b>Number of employees</b>	6783 with 370 in HQ	471 with 107 in HQ
<b>Annual budget</b>	263 Millions	30 Millions
<b>NGO Type</b>	Humanitarian NGO Development NGO	Humanitarian NGO Development NGO
<b>Field of actions</b>	Nutrition ; Healthcare ; Food Security ; Livelihood ; Water, Sanitation & Hygiene ; Advocacy	Nutrition ; Food Security ; Livelihood ; Water, Sanitation & Hygiene ; International Childhood ; Exclusion & Insecurity in France ; Advocacy
<b>International presence</b>	Present in 46 countries	Present in 29 countries
<b>Date of the MI beginning</b>	2010	2012

### **3) RESULTS**

As indicated in the literature review, the cultural and leadership factors of management innovation in nonprofit organizations are still unclear and the role of human agency have not been investigated (see table 1). On the one hand, the results of the study were relevant to realize a coding process by using these thematic which were confused or unexplored in the literature of nonprofit organizations. Furthermore, our results underlined the importance of interorganizational relationships and internal communication based on trust. On the other hand we were open to new thematic during our coding process so that the fundraising difficulties emerge as a new antecedent of management innovation specific to nonprofit organizations. Finally, our results have highlighted the motivations of the INGOs to introduce management innovation.

#### **3.1) CULTURAL AND LEADERSHIP FACTORS**

We found that organizational values are essential for both organizations to achieve their missions and develop their activities. Leadership play an important role because it creates the organizational climate around these specific organizational values. Senior officers and managers put emphasize on the concrete realization of the founding values that represent their organizations. To reach an adequacy between values and concrete achievement, managers have to be involved, accessible, and close to their employees. Here managers shape an organizational culture supporting to innovation because they were “open-minded and receptive of new ideas” (Program Manager; Project Manager, INGO 2). They promote innovativeness like an organizational value by challenging and considering innovative solutions for the organization. They try to be attentive and “spend time with employees to discuss about how we can improve their mission. If they have suggestions I assure them that they don’t hesitate to tell me even if we are overlooked and confronted to the pressure of time to act quickly in the humanitarian world ” (Program Manager, INGO 2). Additionally, we noticed that the value of risk-taking is a founding and core value of the INGO2. This value of risk-taking is officially presented in the external communication tools of INGO2 such as the official website or the annual report. The value of risk-taking is often considered as a part of an innovation culture.

Nonetheless, the continuation of a suggested innovation is strictly controlled to avoid a critical failure that may affect the survival of the organizations. Indeed leaders affirm immediately that failure in the nonprofit sector is so delicate that let flourish an organizational culture of innovation without control is impossible. They confirm that risk of failure is a major and specific issue for nonprofit organizations because they are very exposed. A failure could harm their external reputation and consequently their funding. This is why leaders try to manage an

organizational culture open to innovation with “keeping in mind that we are a nonprofit organization and so we have to get it right” (Senior Officer, INGO 1 and 2). Values of innovation such as risk-taking have to be managed in line with the specificities of nonprofit organizations, especially the external resource dependence. They affirm that they are strictly observed and controlled by external stakeholders, so that they can’t make mistakes. Managers work to integrate this consideration into the organizational culture. To reach this objective, they gather employees around the shared organizational mission. Employees are motivated by managers to follow on the organizational mission which should represent the frame of their activities.

“We know that working at a NGO means that we have to integrate that risk-taking have to be controlled. We know clearly the mission of our organization and we want to contribute to it. We stay focus in this direction” (Administrator, INGO 1).

### **3.2) ROLE OF HUMAN AGENCY.**

The process of decentralization has been adopted after several recommendations from the staff who suggest intensely the interest of developing a new way of organizing work and responsibilities. The mixed staff with different profiles and hierarchical levels have purposed the introduction of this type of management innovation. Knowing that the leadership was open-minded and attentive about new ideas which will improve the effectiveness, they don’t hesitate to insist about the necessity of introducing a management innovation. The information feedbacks from the field teams underlined that they need more flexibility to daily achieve the development of their mission. Internal studies prior to the adoption of management innovation have also confirmed this finding.

“The teams on the field have provided lots of important information and especially they express an important need of having more flexibility... They feel that they have to face with a lack of responsibilities. For example they asked why should we work a document that will be rework systematically by the headquarters” (Senior Officer, INGO 1).

It is interesting here to know more about these internal stakeholders who purpose new ideas and recommend the introduction of management innovation. Basically, it corresponds to experienced agents who present a diversity of prior external experiences in different contexts and organizations as well in nonprofit organizations as in the for-profit sector.

“The recruitment of a highly experienced staff from diverse contexts help us to breathe new life to our organization. Several employees who have worked previously in other organizations told us that a decentralization and more responsibilities for field teams lead to the development of

the activities and missions are going more effective They used their prior diverse experiences and knowledge to justify their recommendations” (Program Manager, INGO 2).

External change agents could also play a major role in the process of management innovation. INGO1 has collaborated closely with consultants from the diagnostic to the implementation phase. We have carefully examined the detailed results of their investigations and confronted with our primary data. The results of their studies have confirmed the need to change the way of organizing work and responsibilities. They help the INGO to identify clearly the different problems that limit the activity: overall confusion in roles and responsibilities; decisions are not taken at the right level micro-management of field by headquarters; limited liability & accountability of the field for their actions. After strengthening the diagnosis and the necessity of transformation, consultants participate to the elaboration and implementation of management innovation by providing its expertise, experience and external objectivity.

“We have mandated different and independent consultants to be sure of the diagnosis of the problems. We conclude to a share diagnosis of the necessity to decentralize the power from the headquarters to the field teams. Then we elaborate and implement the management innovation project with the participation of external agents such as experts and consultants” (Senior Officer, INGO 1).

### **3.3) INTERORGANIZATIONAL RELATIONSHIPS**

In the INGO 2, any external change agent play a direct role in the introduction of management innovation. Admittedly they rely on their experienced mixed staff who recommended the importance of introducing a management innovation but the INGO 2 has also got information from organizations which are prior adopters of a similar decentralization process. In fact, they have collected information and feedbacks about this management innovation thanks to the participation to cooperative and alliance projects with other nonprofit organizations.

“We begin to have more information about how other structures organize their management internally when we began to participate to cooperative and alliance projects with other nonprofit organizations. Thanks to this network I knew that some organizations have adopted a decentralization process” (Senior Officer, INGO 2).

During our document analysis of the INGO2, we noted actually a trend of the INGO to take part more and more in cooperative and alliance projects with other nonprofit organizations, and especially with other INGOs which face similar management issues such as field staff in several and complex countries. When we asked the C.E.O about the relevance of this finding, he confirmed the positive effect between this increasing participation of external networks and new management knowledge.

### **3.4) INTERNAL COMMUNICATION BASED ON TRUST**

If developing external relationships with other organizations is useful to get precious information from prior adopters of management innovation, the promotion of internal communication has been necessary to let new innovative ideas diffused within the two INGOs. Our investigation shed the light on the role of internal communication encouraged by the leadership to facilitate the survival of new ideas and recommendations about managerial improvements. This internal communication tend to rely on trust relationships which helps also the transformational leaders to balance a culture of innovation described earlier (section 3.1). The interviewees have highlighted the importance of internal communication and insist on trust as “a founding principle that shape our internal relationships, it facilitates the diffusion of new ideas but also and it has to be noticed, the receptivity of them” (Program Manager, INGO 2). When we have confronted several internal documents dealing with the organizational relationships and management handbooks to check the relevance of this finding, we noticed that some of these documents identify clearly the combination of internal communication and mutual trust as a major challenge for the organization.

### **3.5) FUNDRAISING DIFFICULTIES**

We found that fundraising difficulties influence these two INGOs to adopt management innovation. Indeed, fundraising conditions are increasingly demanding, formal and require more reactivity from nonprofit organizations. A number of interviewees have underlined the fundraising difficulties as one of the starting point of the management innovation introduction. The staff have to address the issue of responding call for projects launched by funders. Nonetheless the model of management has not followed the evolution of funders’ requirements. Facing with the lack of responsibilities and decision-making, it was very hard for the staff to complete the formalities and respect the deadlines of funders. They noticed that they miss lots of fundraising projects because of this administrative burden. At different hierarchical levels, management innovation has been considered as a necessary mean to adapt the way of organizing work and responsibilities with the evolution of fundraising conditions.

“Admittedly we have to be reactive in our operational missions that we conduct in the field, but we must also show reactivity to local external funders whose call for projects are becoming more demanding. We need more flexibility to provide an appropriate and formal response respecting the deadlines.” (Project Manager, INGO 1)

“On the field, when we work on a fundraising project, we systemically had to send the documents to the headquarters which have to check it, often rework it and then they send it,

etc... the process of validation was very laborious and harm our fundraising activities !” (Support Function Manager, INGO 2).

In addition, the results of the qualitative studies led by consultants through field observations and 40 interviews in two countries shed the light on this problem of fundraising. In the two countries studied, the staff revealed the lack of autonomy and responsibility to achieve fundraising projects. While the funders require more and more reactivity and formal documents, the administrative system of the INGO was old-fashioned because of too much internal control and procedures.

### **3.6) MOTIVATIONS**

Reach the organizational goals of realizing and developing their missions was spontaneously cited when we deal with the subject of motivations that drive the introduction of management innovation. The decentralization aimed at sustaining the growth of humanitarian activities. Addressing the rise of social and complex demand, these nonprofit organizations looked for a new model of organization to handle with their internal growth. The interviewees underlined that management innovation has been motivated by improving effectiveness of their missions while the geopolitical context is not favorable. This is why management innovation appears all the more important to still tackle the social issues of their organizational mission. The INGOs was actually motivated by the organizational performance.

“We have known a strong and double-digit growth during this last ten years. If we don’t change our model of management, we could not realize anymore our missions on the field, all the more that the number of missions increased” (Senior Officer, INGO2)

“Our management innovation project has been integrated to the strategic plan approved by the board in order to reach our organizational goals such as improving our capacity to develop missions on the field” (Senior Officer, INGO1)

The majority of the internal documents, that we have examined, have also underlined this primary objective of organizational efficiency to promote the introduction of management innovation. Furthermore, several interviewees have revealed that the staff motivations for management innovation was also to improve their external relationships. With more responsibilities and decision-making, they thought that they will acquire more legitimacy with external stakeholders.

“We wanted to facilitate our external relations which are very important for us. For example, you will appear more serious and legitimate with local authorities on the field if they notice that you have responsibilities and decision-making” (Support function Manager, INGO 1)

“In fact, this innovation aims at improving our relations with external stakeholders. For instance, more flexibility on budget management will facilitate relationships with suppliers who will be not paid lately. It is good for our reputation” (Support function coordinator, INGO2).

#### **4) DISCUSSION OF THE RESULTS**

Our study case enable us to clarify the relationships between organizational culture, leadership and the introduction of management innovation which emerge in the handful studies of administrative innovation in nonprofit organizations. We have rediscovered also some antecedents already highlighted by authors of management innovation in companies (role of human agency, external networks and internal communication) and the main interest is now to explain it, in line with the specificities of nonprofit organizations. Our results showed the emergence of the fundraising difficulties as a new antecedent of management innovation which is absent from the existing literature. This antecedent seems to be specific to nonprofit organizations whose motivations are both increasing their organizational effectiveness and external legitimacy.

##### **4.1) CULTURAL FACTORS AND LEADERSHIP**

Jaskyte (2011) found that transformational leadership is a predictor of administrative innovation in nonprofit organizations and any significant results with the strength of the organizational culture whereas Jaskyte and Kisieliene (2006) have previously found no relationship with leadership and a positive relationships with organizational culture with values of team orientation and stability. They suggested that the link between leadership and organizational culture should be studied to shed the light on the antecedents of administrative innovation. Our results address this issue and provide some clarifications about the link between leadership, organizational culture and management innovation. Our results showed that the transformational leadership balance a culture of innovation with the specificities of nonprofit organizations (see figure 3). Tackling complex social problems and bearing several responsibilities, nonprofit organizations have no room for error, all the more that they are strictly observed by external stakeholders, in particular by external funders. If a failure occurs when they try to change the way of organizing work, it will affect the reputation of the nonprofit organization. External funders will in response cut their funding while nonprofit organizations are dependent on these external funders and work constantly to keep a relationships of trust with them. A failure exposure seems to be much more delicate for nonprofit organizations than companies. Nonprofit organizations are expected to respect carefully the frame of their organizational mission and how they achieve it. Thereby transformational leaders tried to

develop a balanced culture of innovation which integrate this issue. This consideration was absent from the literature on management innovation in the for-profit sector. It was also not pointed out in the very few articles on administrative innovation in nonprofit organizations. As noticed previously, these articles presented rather controversial results about the impact of leadership and organizational culture on administrative innovation. Hence we suggest:

*Proposition 1: A culture of innovation balanced by transformational leaders with the nonprofit specificities create a favorable climate to the introduction of management innovation in nonprofit organizations*

#### **4.2) ROLE OF HUMAN AGENCY: THE INTERNAL CHANGE AGENTS**

The rationale school of thought (Birkinshaw et al. 2008; Birkinshaw & Mol, 2009; Mol & Birkinshaw, 2014) has fostered the central role of human agency in the process of management innovation within firms. Employees could make use of their prior external experiences to transform previous practices into innovation in their current organization (Mol & Birkinshaw 2014). Admittedly financial resources are critical for the survival of nonprofit organizations, depending on external supporters, but at the basis, the association of human resources is the cornerstone of these organizations. Accordingly, human resources may be an important input of management innovation. Our results showed that the mixed staff of nonprofit organizations used external sources of knowledge acquired previously during their diverse experiences in different contexts and organizations to forward new ideas about how to organize work within their current organization. This finding may be explained by the profile diversity of the staff and the high turnover in nonprofit organizations. A high turnover may be more important for nonprofit organizations operating in high complex social contexts such as INGOs. This turnover could also result from the presence of volunteers who don't necessarily stay long time in an organization (Jamison, 2003; Garner and Garner, 2011; Hyde et al., 2016). Besides nonprofit organization recruit more and more employees from other organizational contexts like the for-profit sector to be more professionalized and support the growth of the sector. We think that it could bring new knowledge to introduce management innovation. Yet all of this considerations have not been dealt in the very few articles on administrative innovation in nonprofit organizations. Hence we suggest:

*Proposition 2: The mixed staff of nonprofit organizations used external sources of knowledge acquired previously from their diverse experiences to foster innovative ideas on management innovation.*

#### **4.3) EXTERNAL NETWORKS: EXTERNAL CHANGE AGENTS AND PRIOR ADOPTERS**

Some authors have underlined the positive link between interorganizational relationships and innovation in nonprofit organizations (Osborne and Flynn 1997; Mulroy & Shay, 1997; Chao 2009). As explained in the literature review, scholars have not gone into details about the relationships with the innovation types, except Jaskyte and Lee (2006) who noticed that administrative innovation are related with technical assistance. This result may be fit with the theory of the human agency which outlined the implication of both internal and external change agents such as consultants or academics (Birkinshaw et al., 2008; Birkinshaw & Mol, 2009; Mol and Birkinshaw, 2014). Our results confirmed that nonprofit organizations collaborate with external change agents such as INGO 1 where consultants and external experts have been implied to the introduction of management innovation. Additionally, our results revealed that nonprofit organizations, such as INGO 2, made use of their interorganizational relationships to get useful information about prior adopters of the management innovation. This feature has been highlighted by some authors within firms, but not by the rare scholars who began to study management innovation in the specific context of nonprofit organizations through empirical studies on administrative innovation. Hence we suggest:

*Proposition 3: Nonprofit organizations make use of their external networks to introduce management innovation, either by the direct participation of external change agents during the process or by getting useful information from prior adopters.*

#### **4.4) INTERNAL COMMUNICATION BASED ON TRUST**

In our results, we showed that a balanced culture of innovation should be managed by transformational leaders. In parallel, they should grasp the potential of these diverse internal stakeholders. They have to seize the opportunity of innovative ideas about management innovation from the experienced mixed staff and make them accept from the others. This leadership tasks is complementary with their role of managing a balanced culture of innovation. To accomplish these both objectives, transformational leaders have advanced an internal communication based on trust. Even they are overlooking by the growth of their activities, they set up a system of internal communication based on trust to be open to improvements regarding the way of organizing work and *in fine* increase the organizational efficiency. Although Damanpour (1991) has already identified internal communication as a determinant of management innovation in companies, and alongside trust shape the relationships within nonprofit organizations according to Tonkiss and Passey (1999), this approach has not been

developed in the very few articles on administrative innovation in nonprofit organizations. Hence we suggest:

*Proposition 4: To introduce management innovation in nonprofit organizations, internal communication based on trust helps transformational leaders to shape a balanced culture of innovation and seize the opportunities of the experienced mixed staff*

#### **4.5) THE FUNDRAISING DIFFICULTIES**

Innovation in nonprofit organizations is dependent on financial resource availability (Zimmerman, 1999, Barczak et al., 2006) and consequently on external funders. Our results showed that the fundraising difficulties influence the introduction of management innovation in nonprofit organizations. The incapacity of responding to call for projects from external funders triggered the first reflections about the importance of changing the way of organizing work. The external funders require more formalities, detailed information, reactivity and transparency from nonprofit organizations. This is why nonprofit organization should adapt the way of organizing work and the internal administrative procedures with these demanding and strict conditions. This appears crucial for nonprofit organizations which are dependent on these funders. This considerations have not been noticed in the literature of management innovation in companies but also in the very few articles on administrative innovation. Hence we suggest:

*Propositions 5: The emergence of difficulties in the fundraising may be a warning indicator of the importance of introducing a management innovation in nonprofit organizations.*

#### **4.6) MOTIVATIONS**

The rationale perspective of management innovation underlines the focal role of human agency in order to improve organizational effectiveness (Birkinshaw et al. 2008, Birkinshaw & Mol 2006) while the school of institutional perspective examines the reasons driving an organization to introduce management innovation. In this school of thought, the principle objective is not necessarily organizational performance but symbolic reasons like the stakeholders and peer legitimacy (Sturdy 2004). Our results showed that nonprofit organizations introduce management innovation to improve the organizational effectiveness and reach external legitimacy. This finding is absent from the very few articles on administrative innovation in nonprofit organizations.

*Proposition 6: Nonprofit organizations introduce management innovation because they are motivated by the organizational effectiveness and the external legitimacy*

We have represented our propositions with a framework (Figure 2), in which we tried to highlight the link between them. The double arrows underline the interrelations that implied our propositions internally and also with the external networks. By the way, “external sources of knowledge” refer both to the information getting from interorganizational relationships with prior adopters and the knowledge brought by the mixed staff from their previous external experiences.

Figure 2: Representation of our propositions concerning the antecedents of management innovation in nonprofit organizations

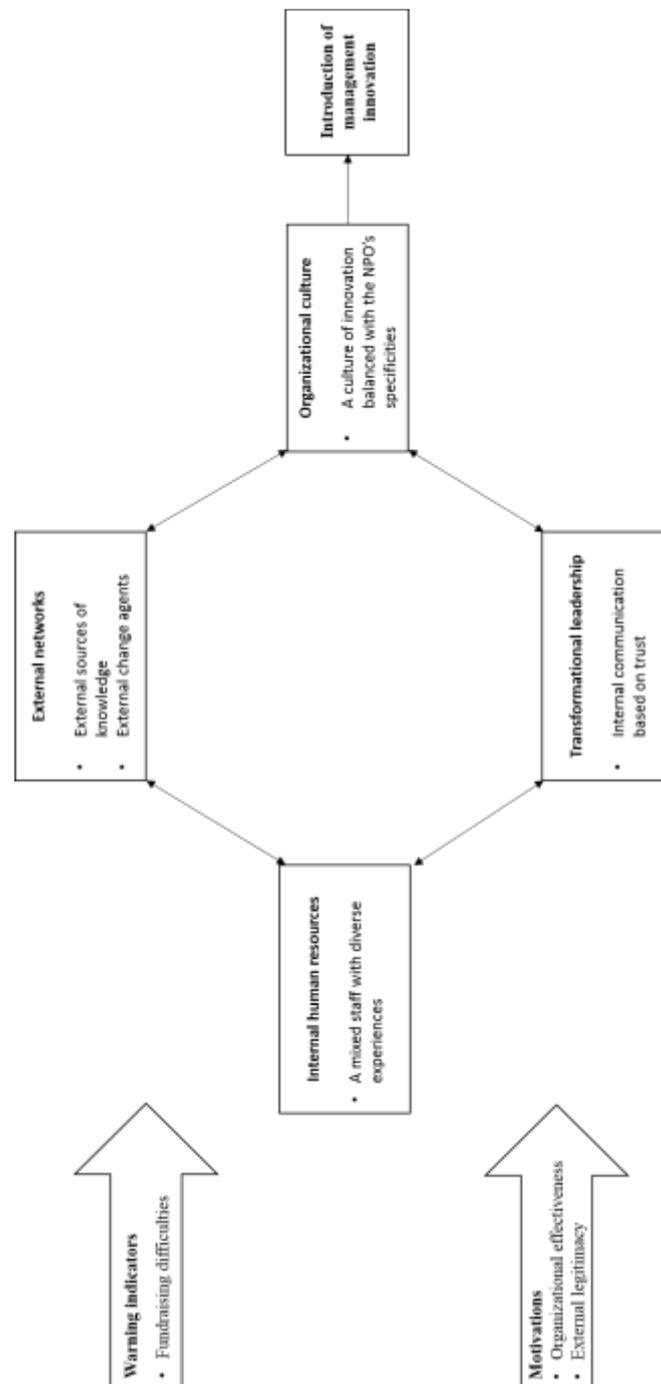


Figure 3: The culture of innovation balanced with the nonprofit organizations specificities



## 5) THEORETICAL CONTRIBUTIONS

With this study, we contribute to both the literature on management innovation and the literature on innovation in nonprofit organizations. Research on management innovation in nonprofit organizations are very scarce because we identified only three articles on administrative innovation. Our results revealed that a specific organizational context could lead to specific antecedents or explain some of those already suggested by the literature. They address also the issue raised in the articles on administrative innovation about the link between leadership, organizational culture and administrative innovation (see *Proposition 1*). These articles have not focused on the role of human agency as developed by the rationale school (Birkinshaw et al., 2008; Mol & Birkinshaw; 2009, 2014). We found that the mixed staff of nonprofit organizations could use their external sources of knowledge from prior diverse experiences to introduce management innovation (see *Proposition 2*). This finding contribute to the literature on innovation in nonprofit organizations whose researchers have not considered this potential antecedent. As presented in the literature review, researchers on nonprofit organizations have presented the diversity of internal stakeholders as a management issue, especially with the problems of tensions between them. Our study case showed that the diversity of the mixed staff with their diverse prior experiences could become an opportunity too. Moreover it gives some insights about the answer of the issue raised by Ban et al. (2003) dealing with the positive or the negative impact of turnover in nonprofit organizations. Here, we could say that turnover may be positive to bring new knowledge and skills through more and diverse external

experiences within the staff which are source of innovation. This diversity of experiences may be also a result of the mixed staff of nonprofit organizations. The link between a mixed staff with diverse experiences in different organizational contexts and management innovation may also contribute to the research on the link between the concept of diversity and innovation like the studies of Vegt & Janssen (2003) and Østergaard et al. (2011). Furthermore, our study case tend to give more precision about the importance of external networks for nonprofit organizations to introduce management innovation (see *proposition 3*). We outlined both the direct collaboration with external change agents thorough the management innovation process and besides the utility of getting precious information from prior adopters. This antecedent has been suggested by scholars studying firms whereas researchers on nonprofit organizations (Jaskyte and Lee, 2006) have only noted a positive link between administrative innovation and technical assistance coming from interorganizational relationships. Unlike our study case, they found any significant relationships with getting information externally through the interorganizational relationships and introducing an administrative innovation, maybe because they did not observe precisely interorganizational relationships with prior adopters. Moreover, an internal communication based on trust may be helpful for the leadership (see *Proposition 4*). The importance of internal communication has been highlighted by Damanpour (1991) within firms but not in the specific organizational context of nonprofit organizations whose internal relationships are basically based on trust. This finding highlights the focal role of communication in nonprofit organizations used for example by nonprofit managers to reconcile the tensions between business-like practices and achieving the social mission (Sanders and McClellan, 2014). Besides, we found that the difficulties of fundraising may be an indicator of the necessity to introduce a management innovation (see *Proposition 5*). This finding appears new for both literature on management innovation and the literature on innovation in nonprofit organizations. It underlines also the dependence of nonprofit organizations on external funders, which is a main characteristics of these organizations. Admittedly nonprofit organizations are motivated by improving the organizational effectiveness through the introduction of management innovation but actually they seek also to develop their external legitimacy (see *Proposition 6*). Researchers on management innovation in the for-profit sector have already underlined this external motivation, unlike the emerging literature on innovation in nonprofit organizations.

## **6) MANAGERIAL IMPLICATIONS**

Our study about the antecedents of management innovation in nonprofit organizations proposes some helpful insights for nonprofit practitioners. Indeed our results shed the light on the importance of managing and balancing a culture of innovation. Organizational culture and the pursuing of the organizational mission are the cornerstone of nonprofit organizations. This is the role of the management to integrate organizational values that will lead to management innovation. We find that managers with transformational leadership characteristics are able to influence organizational values. The interesting issue for nonprofit managers is now how to shape an organizational culture which will be favorable to the introduction of management innovation. Our results highlight that nonprofit managers have to balance a culture of innovation with the nonprofit specificities (see figure 3). Moreover nonprofit managers should also grasp the potential of their mixed staff who could purpose new and innovative ideas in the frame of management innovation. Nonprofit managers could benefit from prior external experiences and knowledge of this mixed staff to adopt management innovation. The diversity of internal stakeholders between paid staff and volunteers is actually not only an issue of managing the tensions from their different point of views (Kreutzer & Jagger, 2011) but it could be an opportunity too, through the use of their knowledge from their diverse prior experiences to introduce management innovation. In the same way as communication is central to manage the internal tensions in nonprofit organizations (Sanders & McClellan, 2014), nonprofit practitioners should also promote internal communication based on trust to let new ideas be diffused. Such as managers in companies, we advise nonprofit managers to participate to external networks and get information from prior adopters to introduce management innovation or call upon the direct involvement of external change agents such as consultants, experts or academics. Finally we put an emphasize on the importance for nonprofit managers to understand that if it is harder for them to fundraise and respond to demanding call for projects, it could be a sign that a management innovation has to be introduced.

## **CONCLUSION**

In this study we have explored the antecedents of management innovation in nonprofit organizations through a study case in two INGOs. As highlighted by Damanpour and Aravind (2012) and Volberda et al. (2013), antecedents of management innovation have been largely studied in the for-profit sector. Inversely only a handful of studies tackles the issue of management innovation in nonprofit organizations with the investigation of administrative innovation antecedents (Jaskyte & Lee, 2006; Jaskyte & Kisielene, 2006; Jaskyte 2011).

The divergent results of these few studies dealing with administrative innovation arose an issue concerning an important but still confused relationships between organizational culture, leadership and management innovation. Our study case propose that transformational leaders have to balance a culture of innovation with the specificities of nonprofit organizations. These organizations represent a particular context whose main features have to be considerate by managers to shape the right balanced culture of innovation which will favor the introduction of management innovation. Some of these specificities could also explain some of the antecedents already suggested by scholars who investigated firms. The role of human agency is represented in nonprofit organization by their mixed staff who use their diverse experiences in different organizational contexts to bring innovative ideas about management innovation. Leaders have to promote an internal communication based on trust in order to capture the potential innovative ideas of this mixed staff, to guarantee the receptivity of them, but also to shape the balanced culture of innovation. Besides, an external communication is just as important to develop interactions with external change agents able to participate directly to the process of management innovation, or to develop interorganizational relationships to get information from prior adopters of the management innovation. Our explorative study case let a new antecedent emerging from the field and not specified neither by studies of management innovation within firms nor the few articles on administrative innovation in nonprofit organizations: the fundraising difficulties. This antecedent seems to be specific to nonprofit organizations. It was a main warning indicator of the necessity to introduce a management innovation in the two INGOs investigated, whose motivations were the organizational effectiveness and the external legitimacy.

Nevertheless, our explorative study case present some limits. We highlight the antecedents of management innovation without focusing deeply on each different phases of the process which could be for example: motivation, invention, implementation, diffusion (Birkinshaw et al., 2008). As we studied the same management innovation in two nonprofit organizations, we could not integrate in this study the recent typologies of management innovation (Mol and Birkinshaw, 2014, Volberda et al., 2014) whose different attributes could have an impact on the antecedents of management innovation (Damanpour, 2014). In the discussion section, we tried to explain the experience diversity of the mixed staff, which were source of innovation, by the high turnover of nonprofit organizations. This suggestion is not statistically proved and additionally the positive impact of a high turnover may be qualified. If the high turnover of the nonprofit sector could lead to propositions of innovative ideas from a mixed staff with diverse experiences at the beginning of the management innovation process, on the contrary the high

turnover could then be an obstacle to the implementation phase. Indeed, organizational learning during the implementation of the management innovation may be harder with a frequent staff turnover. This is why the future research should to examine widely the link between a high turnover, which is significant in nonprofit organizations, and the introduction of management innovation. In the same way, scholars should also analyze widely how nonprofit organizations concrete the value of trust in internal relationships while they are facing the high turnover of its mixed staff. Moreover, we argued in the literature review that the management of their multiple stakeholders is a major challenge and we noted in our results that the external networks could help these organizations to introduce management innovation. The management of external stakeholders could thereby become an opportunity and not only an issue. Future research should focus on this external relationships to understand more deeply how nonprofit organizations make use of their interorganizational relationships in a process of management innovation, such as the selection of external change agents and how they capture external knowledge from prior adopters. Finally, our propositions have to be tested by a quantitative study to check their relevance. These antecedents and especially the management of a balanced culture of innovation suggest that the process of management innovation may follow a specific implementation in nonprofit organizations. Thereby, it paves the way for future research issues that scholars should address.

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