

Editorial

Why and How Change? An Introduction to a Special Issue on Advancing Nonprofit Management: Innovations, Challenges and Best Practices

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When we accepted the invitation to co-edit this Special Issue on innovations in the nonprofit sector in 2023, we did not know how much the world would change in less than two years. By focusing on innovations in the nonprofit sector in this Special Issue, we hope to inspire useful reflections on assumptions about, and options for, change in different types of contexts. Readers may reimagine possibilities and gain deeper understanding of minor and major shifts in how nonprofits operate to pursue missions and visions.

Nonprofits play a variety of roles: some respond to broad public interests and needs while others serve a specific group of individuals. They innovate to find new and better ways to meet the needs of their communities (Jaskyte Bahr, 2019). New and intensified challenges threaten their missions and existence. Sources of resources, power, and influence have shifted. To whom nonprofits are accountable is questioned, and nonprofits may feel pressure to align with others' agendas. Thus, we expect to see innovative activity that deserves scholarly attention.

Some of the innovative approaches currently receiving scholarly attention have placed an emphasis on social entrepreneurship, impact investing to create social value and generate income, new schemes for demonstrating impact, and the use of technology like artificial intelligence and giving platforms. Social entrepreneurs develop innovative solutions to social problems and use business principles to achieve their goals (Lombardi & Costantino, 2020). Impact investing seeks to achieve both financial and social returns (Maier & Meyer, 2017). Data-driven outcome measurement and assessment are integral to the pursuit of some nonprofits' goals, and research on strategies devised in response to donors' and other stakeholders' demands for quantifiable results shows that resource provision can lead to positive change (Ranucci & Lee, 2019). The digital era has ushered in a wave of innovations, resulting in new avenues for fundraising, engagement, and outreach. For example, improvements to online platforms, social media, and crowdfunding increase nonprofits' ability to build and sustain connections to donors, volunteers, and beneficiaries. Data analytics and artificial intelligence enable organizations to harness insights, optimize resource allocation, and better measure impact (Chaanoun et al., 2022; Lecy & Thornton, 2016). Also, innovations like blockchain technology have the potential to enhance transparency and accountability in financial transactions and impact reporting (Svensson et al., 2020).

Our Special Issue includes eight contributions supporting the goal of encouraging reflection on nonprofit change and innovation. Each offers a unique context, focus, and implications.



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1. Liu and Altamimi examine organizational and sectoral influences on strategic and reactive use of flexible labor in US arts and cultural organizations. Flexible labor is not just for cost-cutting under conditions of resource scarcity; it is often proactively used by financially stable organizations to enhance resiliency.
2. Heist, Shaker, Sumsion, Tomlison, and Minor offer a new model for the DAF Donor Relationship Management Cycle. Based on input from fundraisers and inspired by the proliferation of these funds, the model suggests how to skillfully pursue and steward gifts from donor-advised funds given the missing information and the need to use intermediaries.
3. Araque uses a participatory autoethnographic approach to reveal and explain changes in volunteer management practices at the Huellas Foundation in Columbia. Innovations emerge from contingent management for and by volunteers who are engaged in self-realization and receive institutional recognition of their contributions and self-development.
4. Doherty, Hoeber, Hoeber, Morrison, and Wolfe look at different types of innovations in community sports organizations in the US. They help us consider how the radicalness (that is, the extent of novelty) of an innovation affects the change's process and outcomes, including those that were unintended as well as planned.
5. Lofthouse and Krahll tackle wicked social problems, using post-disaster recovery and climate change mitigation scenarios as examples. They argue that wicked problems are best addressed using polycentric systems with multiple overlapping decision-making centers. Nonprofits can play important roles and help in avoiding less useful one-size-fits-all approaches.
6. Meyer and Wiley share their research on social media communication related to the 2022 Mpox outbreak. They apply a multi-party framework to understand messy communication patterns with similar and different message focuses depending on the type of actor. They are hopeful that government, nonprofits, and influencers can learn to work together more effectively.
7. Cooley, in a Ukrainian context, conducted research offering insights into the online accountability practices of nonprofits. Using an accountability scoring system, we see that NGOs vary in their online transparency and stakeholder engagement. More innovation is possible to improve website accountability and, ultimately, overall effectiveness.
8. Espejo-Pereda, García-Salirrosas, and Villar-Guevar use survey data from 300 nonprofit workers across nine Latin American countries to show that inclusive leadership (servant, empowering, and shared style) creates a learning culture. This type of culture fuels an organization's dynamic capacity, i.e., its ability to adapt, experiment, and respond to change. Their study suggests that innovation arises from leadership practices that encourage learning, collaboration, and shared responsibility.

Lenses

While each article makes its own contributions, it is useful to consider them as a set. The articles' literature reviews are a diverse resource for building understanding of innovation in the nonprofit sector. The variety of perspectives used in the Special Issue help us see the value of a multi-conceptual approach to understanding nonprofit innovation. Figure 1 illustrates key lenses that emerge from the articles that help us develop a rich picture of nonprofit innovation.

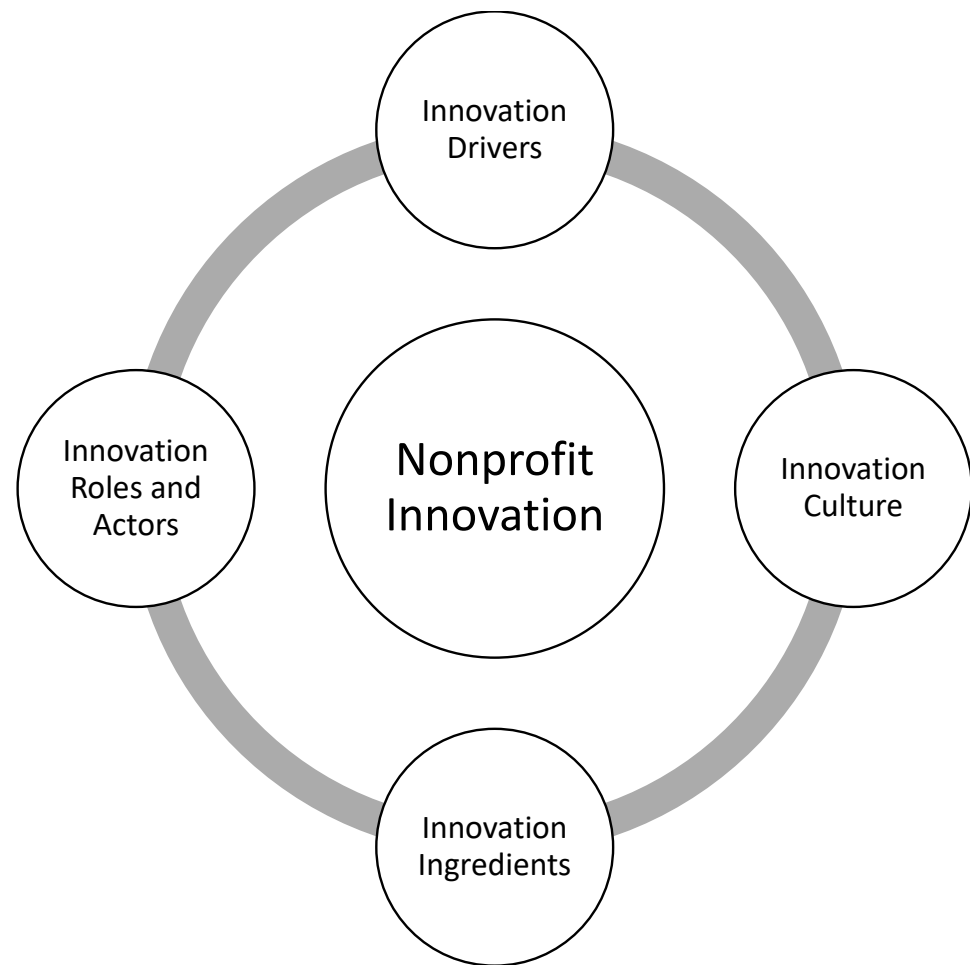


Figure 1. Lenses for examining innovation in nonprofits.

Innovation Drivers: Our first lens to highlight encompasses innovation drivers. Reflecting on what is driving a change can help us better understand the choice behind it and its implementation by nonprofits. Broadly, innovation may be driven by internal and/or external factors. Illustrating this, Doherty and colleagues explain internally planned changes and unintended changes driven by inside and outside forces. They find that the risks associated with change are less related to the radicalness of the change and its drivers than one might suspect. Complementing other articles in this Special Issue, Liu and Altamini show organizational and sectoral drivers of use of flexible work arrangements and find that use of contingent labor and community-based volunteers often are inspired by more than economic value drivers. That there are diverse drivers of innovation and capacity for it is not a new idea. Research suggests that nonprofits face unique constraints—such as mission-driven priorities, resource limitations, and complex stakeholder networks—that both enable and inhibit innovative practices (Dees, 1998; Mulgan, 2007). While some nonprofits demonstrate remarkable capacity for experimentation and adoption of novel approaches, others struggle to innovate, often due to organizational rigidity, risk aversion, or lack of alignment between innovation initiatives and stakeholder expectations (Kanter, 2006). This Special Issue’s articles provide nuanced and deeper insights into this.

Innovation Culture: Innovation comes from challenging assumptions and questioning perceptions. In learning cultures, this becomes the norm. Some articles revealed that innovative change was sparked or at least supported when individuals recognized and accepted what they did not know and changed their understanding of what they thought they should and do know. When such examination takes place, it can result in innovation. For example,

Heist and co-authors found that what is critical to DAF fundraising success is recognition that knowing donor identities is not important; rather, it is the quality of relationships with intermediaries that is more meaningful. Espejo-Pereda and co-authors emphasize the importance of leadership styles in creating learning environments resulting in innovation. Nonprofits that empower their volunteers and beneficiaries to identify personal and organizational needs and foster change to address those needs can see innovation-related benefits to mission accomplishment. This is shown in sports associations, as revealed by Doherty and co-authors, and in the Huellas Foundation, as discussed by Araque.

Innovation Ingredients: An additional lens found in this Special Issue encompasses the ingredients for successful innovation. Authors find that nonprofit capacity to introduce and manage innovation is critical to innovation outcomes. They highlight what can make successful innovations possible. The insights from Meyer and Wiley's research on social media communication during the 2022 Mpox outbreak shows how innovating with multi-actor involvement can increase capacity for message outreach efforts. Cooley's study of online accountability practices of Ukrainian NGOs highlights the dual role of technology as a tool for improving communication, transparency, and coordination. Cooley also shows the value of strategic management to maintain trust and organizational effectiveness. Lofthouse and Krahll offer a comprehensive argument on why nonprofits should participate in polycentric systems to improve mission-related outcomes. They also suggest useful design features for these polycentric systems. Leveraging differing capacities of partners is helpful for finding new ways to address wicked problems and respond to time-sensitive needs. Also, from the broader literature, we know that, when strategically deployed, technology can enhance operational efficiency, enable data-driven decision-making, and support more targeted fundraising and service delivery strategies (Bryson et al., 2014). AI, for example, can facilitate sophisticated analysis of donor data, enabling nonprofits to optimize development strategies while maintaining personalized engagement.

Innovation Roles and Actors: We know from prior studies that the engagement of diverse stakeholders—including donors, beneficiaries, and volunteers—plays a critical role in shaping the types and extent of innovation pursued, highlighting the relational dimension of change in the nonprofit sector (Barman, 2016). This Special Issue underscores that formally designated nonprofit leaders, executive directors, and board members are not the only ones introducing and managing innovations in nonprofits. Media influencers, funder intermediaries, volunteers pursuing their own self-development, and technical resource providers are a few of the actors who help nonprofits change for the better. Nonprofits' strategic participation in multi-actor collaborations can be more effective in innovatively addressing a social problem than if they were acting individually. For example, Araque's research on Colombia's Huellas Foundation and Doherty et al.'s study on U.S. community sports organizations show that volunteers and community members are not passive recipients of services but rather active co-creators of innovation, with effective management being responsive to their motivations and the dynamic social context. Heist et al.'s model for donor-advised fund (DAF) management shows that innovations in fundraising are increasingly relational and procedural, reflecting the need to strategically manage complex stakeholder networks while maintaining ethical and effective engagement. Lofthouse and Krahll's argument for polycentric systems centers innovation as a crucial approach for tackling complex social challenges, requiring collaboration, decentralization, and systemic thinking.

Looking Ahead and Closing Thoughts

This Special Issue highlights the dynamic landscape of innovation within nonprofit management, a sector increasingly confronted with pressures to adapt and evolve in response to shifting social needs, technological advancements, and stakeholder expectations.

Taken together, the articles demonstrate that nonprofit innovation is multi-faceted and context-specific, rooted in organizational culture, shaped by stakeholders, affected by technology and perceptions of risk, and may be embedded in systemic approaches. Devising ways to engage with communities can not only facilitate knowledge sharing and collective problem-solving but also lead to innovations that promote mission accomplishment, empowerment of constituencies and beneficiaries, and future adaptability. By embracing innovation, nonprofits can enhance their effectiveness and better fulfill their missions in a complex and ever-changing environment.

Ethical considerations should be central to discussions of innovation. For example, nonprofits must navigate complex questions related to data privacy, security, and responsible use while ensuring that innovation supports inclusive and equitable organizational practices (Fitzgerald & Moon, 2021). The ability to integrate innovative approaches into governance structures and operational processes without compromising stakeholder trust or mission integrity is a challenge that merits sustained scholarly attention. Also, while evaluating the long-term impact of innovation is helpful for organizational learning and accountability, such evaluation needs to be performed responsibly and in ways that do not compromise the nonprofit's mission nor come at an unjustifiable financial cost. For example, Marwell and Mosley (2025) make the case that randomized control trials, as part of assessments, hurt the nonprofit sector. One of the key challenges for nonprofits is ensuring a balance between technological advancement and maintaining the human touch that defines much nonprofit work. The risk of relying too heavily on digital solutions and losing sight of personal connections and empathy is a concern. Additionally, the digital landscape presents cybersecurity threats, demanding robust measures to safeguard sensitive donor information and organizational data. Innovation also reshapes leadership, redefines motivation and satisfaction, and often comes with organizational structure changes (Brimhall, 2021; Ronquillo et al., 2021; Sainger, 2018), all with ethical implications.

Our approach to innovation in this Special Issue has been to not narrowly define it. We have not engaged in debates on definitions and value of the innovation concept (e.g., Fossati et al., 2017). Also, we have not attempted to sort out what in the articles is applicable to nonprofits versus organizations in other sectors. Some researchers argue that nonprofits possess unique characteristics—such as flexibility, a mission-driven purpose, and strong community ties—that enable them to be effective innovators (e.g., Valero-Amaro et al., 2021). Other scholars contend that the nonprofit sector's reliance on restricted funding and a risk-averse culture can stifle innovation. Savoy (2022) identifies several barriers to innovation in nonprofit organizations, including under-resourcing, limited pathways to scale, and a conservative risk appetite among donors. Also, restricted funding often earmarked for specific programs rather than general support can hinder nonprofits' ability to invest in innovation, such as upgrading technology or engaging with communities to define needs and solutions (Nelson & Beck, 2024). Our position is that it is not helpful to rely on generalizations about the sector as a whole and its capacity for innovation. This Special Issue strategically features diverse types of nonprofits with key differences in their funding and human resource structures that might affect innovation options and outcomes. Reflection on the drivers, culture, ingredients, and roles and actors that influence innovation has value without offering cross-sector comparisons.

As nonprofits confront heightened uncertainty, these articles offer both inspiring strategies and cautionary tales. They show that innovation can strengthen resilience, deepen engagement, and enhance accountability, but only when paired with inclusivity, ethical reflection, and a commitment to human connection. We hope this Special Issue contributes to a richer conversation about how nonprofits can adapt creatively while staying true to their values and communities.

Conflicts of Interest: The authors declare no conflict of interest.

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