

Nonprofit Innovation for Growth: Multimethod Evidence of Its Nature and Effective Governance

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Abstract

Innovation is widely thought to be crucial for organization survival and growth. However, to date scholars have largely investigated the idea of “innovation for growth” in for-profits, despite the nonprofit sector’s significance. Thus, we do not fully understand what it entails here, why it is important, and how nonprofit boards in their oversight role effectively pursue it. My proposed presentation addresses this puzzle by bringing together findings from three complementary phased investigations. First, I outline a systematic literature review of 27 studies published since 2000 to conceptualize a multifactorial model of board composition, relations and practice factors, and organizational and environmental characteristics that influence nonprofit innovation for growth. Second, I draw on video interviews with 26 directors to reveal nonprofit boards encounter competing growth and purpose-alignment goals; innovation manifests as small, incremental improvements and connectedness in nonprofits; and gender balance, thought diversity, and board culture are deemed critical for nonprofit innovation for growth. Finally, I detail survey results from 101 directors which suggest, while most tested determinants contribute, board thought-diversity and board culture are particularly important for nonprofit innovation for growth. Respondents also support legislated board-independence mechanisms and board-gender ratios to foster it, thus pointing to the potential value of regulation in realizing organizational outcomes that other levers may not achieve. The presentation addresses priority research areas of nonprofit governance, acknowledges and encourages future consideration of innovation’s sectoral specificity, is designed to help practitioners and policymakers effectively pursue nonprofit innovation for growth, and provides a future research agenda.

NB: Based on studies documented in journal papers (one published, one forthcoming, and one under journal review)

Keywords: board culture, governance, strategy, thought diversity