

Networks, Coopetition, and Innovative Behavior in the Nonprofit Sector: Enhancing Nonprofit Innovative Behavior through Network Management

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Agenda

- ▶ Research Context
- ▶ Method
- ▶ Results
- ▶ Conclusions
- ▶ Limitations

Network management as a way to boost innovation?

For-Profit firms harness coopetition (collaboration within competitive relationships) to boost productivity and innovative behavior:

- ▶ Innovation is a driver of economic growth and organizational performance (e.g.. Schumpeter 1942; Damanpour. Szabat and Evan 1989).
- ▶ Competition as a driver of both innovation and growth (e.g.. Cohen and Levin 1989).

Favorable network positions of for-profit firms positively impact firm-level innovation:

- ▶ More central firms benefit from enhanced resources. knowledge spillovers. and skill and network development (e.g.. Borgatti 2005; Tsai 2001)
- ▶ Firms that cover more structural holes benefit from a wider knowledge base and have the potential to access more ideas than those not entertaining structural holes (e.g.. Burt 1980; Burt 2004)

Network management as a way to boost innovation?

Internal organizational structures and attitudes have positive impacts on innovation in for-profit firms

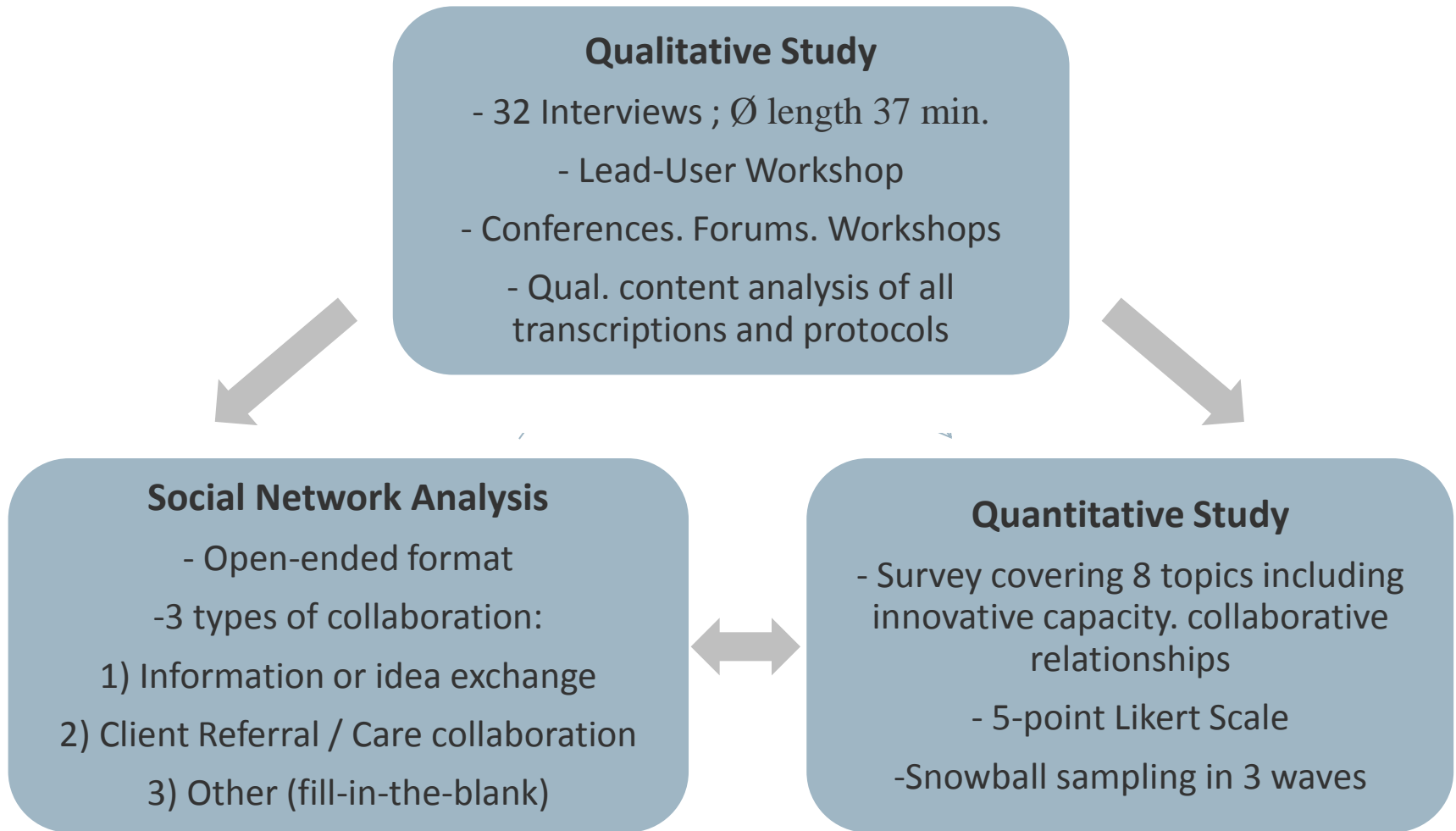
- ▶ Increased professionalization (e.g.. standard operating procedures. eliminating over-specified resources) enables organizations to “free-up” capacities to engage in innovations (e.g.. Thompson 1965)
- ▶ Perceived collaboration quality has a direct effect on an organizations success; this relationship can also be assumed for an organizations network involvement (e.g.. Calamel et al.. 2012)

Research Question: Can strategic network management help nonprofits boost their innovativeness?

Multi-Method Approach

Research Focus: Victim Service Organizations in three German states

Organizational Focus: Adult women victims of sexual violence



Organizations need networks and collaboration to fulfil their mission

“... [Networking] is vital in this sector – no victim service organization can operate as an isolate.”
(Social Worker)

“... our role begins when women can’t help themselves any longer; but sometimes we need a hospital or a psychiatric clinic to step in and help a woman before we can do our job...” *(Social Worker)*

“... we often “refer” clients to other similar organizations...sometimes it’s the only way to make sure that the victims are safe. by helping them move to a different city...” *(Safe-house employee)*

“... we have to be open [to other organizations]...some victims have to move around – we’re talking about victims of human trafficking or even domestic violence...because of the potential for danger in their cities of origin...” *(Trauma Therapist)*

Network maintenance requires a high level of effort because of the high turnover rates in the sector

“...we have brochures with the local organizations all listed. but these need to be regularly updated...things change permanently in this sector. It takes a lot of effort to keep this information up to date. it just changes so much!” *(Social Worker)*

Competition exists among organizations; particularly when competencies overlap and/or regarding funding

“...of course there’s competition between us and the local women’s service organization. Some of our competencies overlap. so of course we feel increased competition...” *(Counsellor)*

“...of course it’s always about money. we all have too little money. The centers are all working at their limit. have been for years. and they’re completely overloaded...it’s my job to secure financing or to convince the politicians that more money needs to flow.” *(Social worker)*

Internal processes play a vital role in solidifying trust and harboring collaboration among organizations

“The basic question really is. whether or not all institutions operate on the same standards... there has to be a solid basis of trust between the respective institutions. and part of that is simply. they need to agree on certain processes.” *(Attorney)*

Innovation is important to further development of victim service provision

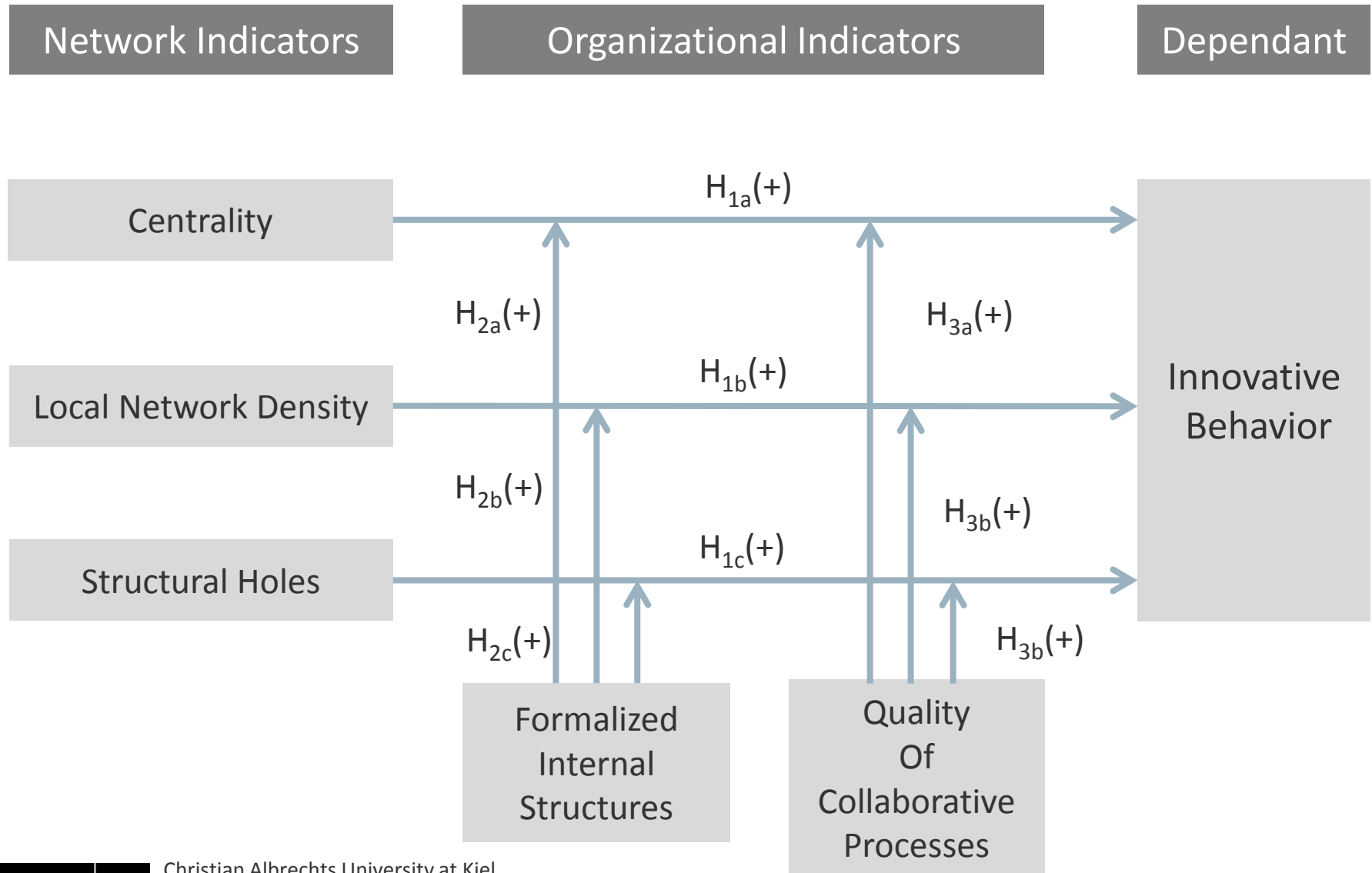
“...we saw a problem and we had to sit down together to figure out how to implement changes...we have to keep working on addressing this problem together and hope. eventually. to take care of it...” *(Police officer)*

“...I started talking to the medical director at the time and said “somehow. we have to find another way to deal with this issue. but I can’t do it myself” ...so we started looking at how organizations in the United States and England solved the problem and went from there...” *(State Attorney)*

Hypotheses

Nr.	Hypothesis
H ₁	A higher centrality (a), local network density (b), and more structural holes (c), of organizations will foster the innovative behavior of the nonprofit organization.
H ₂	A higher level of internal professionalism increases the effect of higher centrality (a), local network density (b), and more structural holes (c), on the innovative behavior of nonprofit organizations.
H ₃	Higher collaboration quality increases the effect of higher centrality (a), local network density (b), and more structural holes (c), on innovative behavior of nonprofit organizations.

Model



Data Collection and Sample

- ▶ Survey technique: Snowball sampling in 3 waves
- ▶ Initial Sample Size: 400 organizations in 3 German states.
 - ▶ 137 responded as being irrelevant to our study; 7 ceased to exist
- ▶ Adjusted sample size: 256 Victim Service Organizations
- ▶ 111 participated in the survey (43.35 % effective response rate)
- ▶ Average age of respondents: 50 with Ø 14 years of experience
- ▶ 80% of respondents were female. even though only 44 % of organizations offered services exclusively for women.

Sample Characteristics: Quantitative Study

Type of Organization	Frequency in responses	% of responses	Frequency in total sample	% of total sample
Women's Service Organizations	49	44.1%	98	38.3%
Government agencies (i.e.. Victim Comp. Agencies)	8	7.2%	32	12.5%
Victim service organizations and other NGOs	43	38.7%	86	33.5%
Hospitals and/or Forensic Institutes	4	3.6%	13	5%
Police	7	6.3%	27	10.5%
Total	111	100%	256	100%

Network Position Indicators:

Calculated at the network level for each of the 3 surveyed states

- ▶ *Centrality*: measures an organizations' centrality based on the centrality of the organizations it is connected to; i.e. indirect effects of an organizations network
- ▶ *Local Network Density*: measures the density of an organizations neighborhood; i.e. effects of a direct network
- ▶ *Structural Holes*: of an organization's network is the number of non-redundant contacts an organization has; i.e. effective size of the network

Dependent Variable: Innovative Behavior

- ▶ One factor generated by 7 Items on a 5-pt. Likert-Scale capturing the innovative behavior of nonprofit organizations

Control Variables

- ▶ Type of organization (*Women Services. Victim Services. Medical Care Providers*); *Clients served; State*)
- ▶ *Freedom to Operate* controls for the ability of an organization to make operative decisions and differentiates between organizations with a high adherence to regulatory framework (e.g.. police or state attorneys).
 - ▶ 4 Items on a 5-pt. Likert-Scale

Organization-Level Constructs:

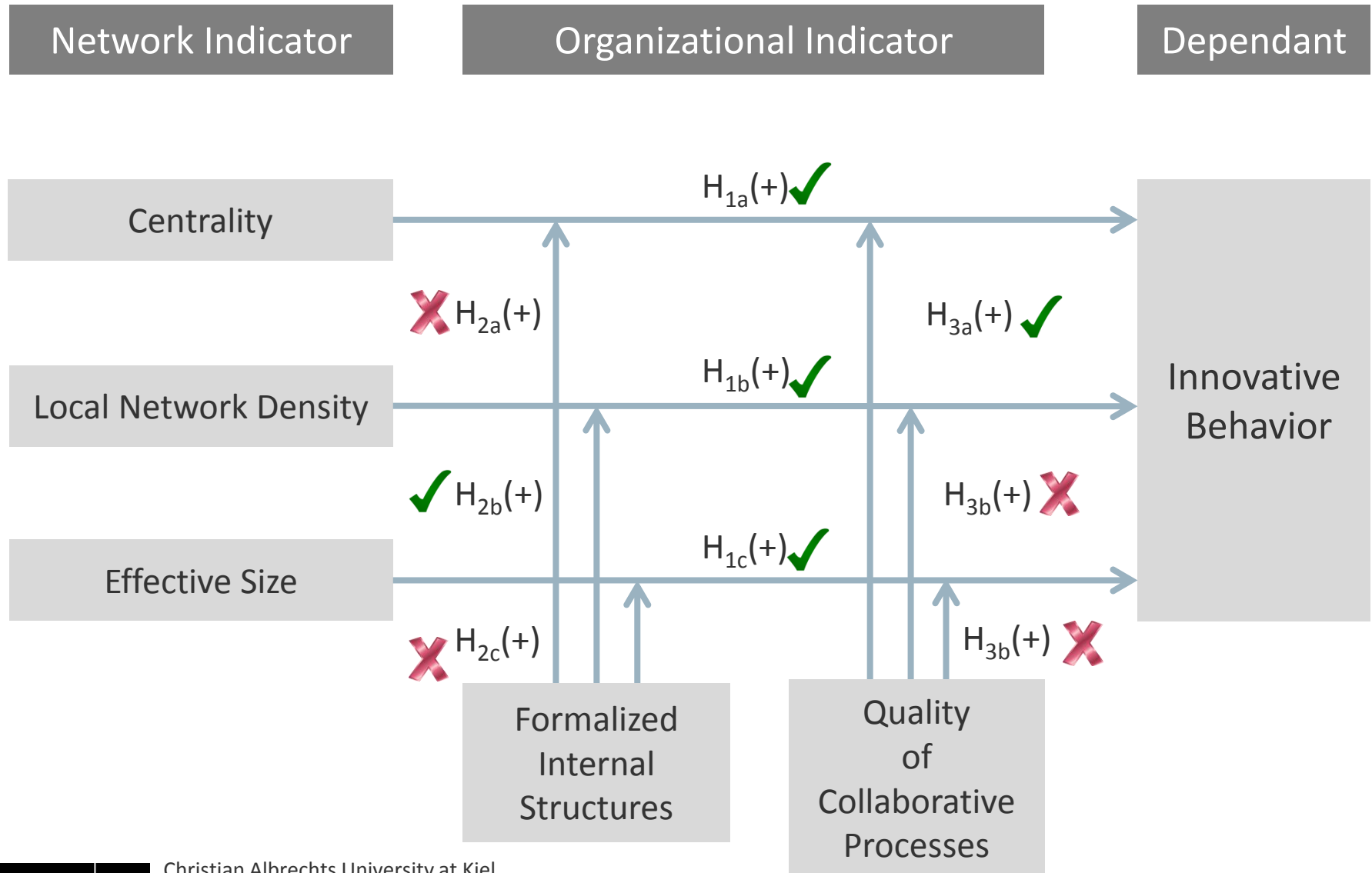
- ▶ *Internal Structures* captures the level of formalization of processes, i.e., professionalism (i.e.. standard operating procedures. quality management structures) within an organization.
 - ▶ 4 Items on a 5-pt. Likert-Scale
- ▶ *Collaboration Process Quality.* captures the perceived quality of collaboration among nonprofits.
 - ▶ 3 Items on a 5-pt. Likert-Scale

Results

	Model 1	Model 2	Model 3	Model 4	Model 5	Model 6
Control Variables						
Women_Services	.797 ***	.573***	.450***	.487***	.423***	.427***
Victim_Services	.539	.476	.304**	.317	.261*	.294**
State 1	.077	-.090	-.354**	-.232	-.315*	-.300*
Network Indicators						
Centrality		-.123	-.366**	-.292*	-.341**	-.305*
Local Network Density (LND)		.307**	.252**	.168	.300***	.258**
Structural Holes (SH)		.334*	.268*	.169	.271*	.218
Organizational Variables						
Internal structures			.316***	.373***	.244**	.299**
Collaboration quality			.383***	.379***	.405***	.361***
Interaction Centrality						
Internal structures x centrality				-.078		
Collaboration quality x centrality				.179**		
Interaction Local Network Density						
Internal structures x LND					-.180**	
Collaboration quality x LND					-.043	
Interaction Structural Holes						
Internal structures x SH						.033
Collaboration quality x SH						.116
R ²	.292	.343	.545	.567	.57	.559
F	5.058***	4.332***	8.076***	7.395***	7.492***	7.163***

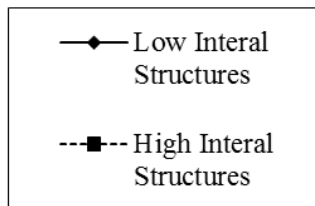
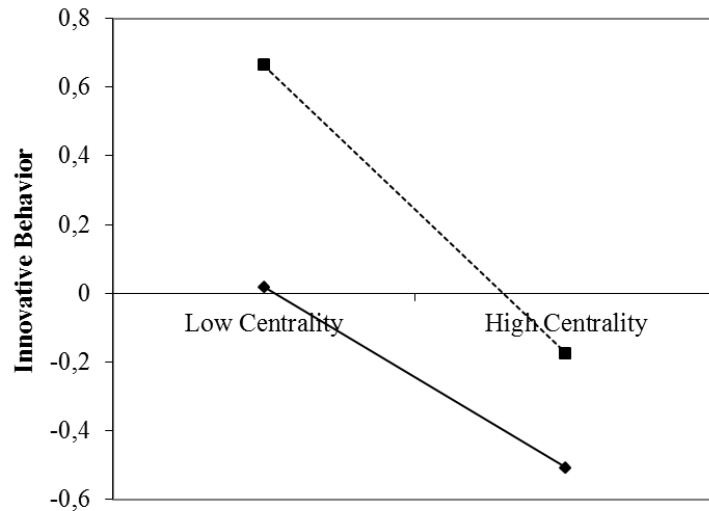


Model

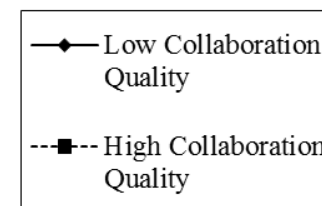
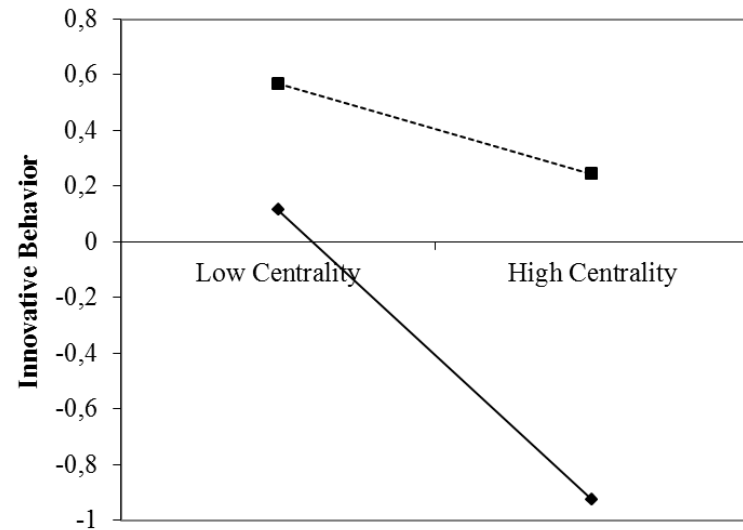


Centrality and Moderator Variable Effects

Centrality and Formalization of Internal Structures

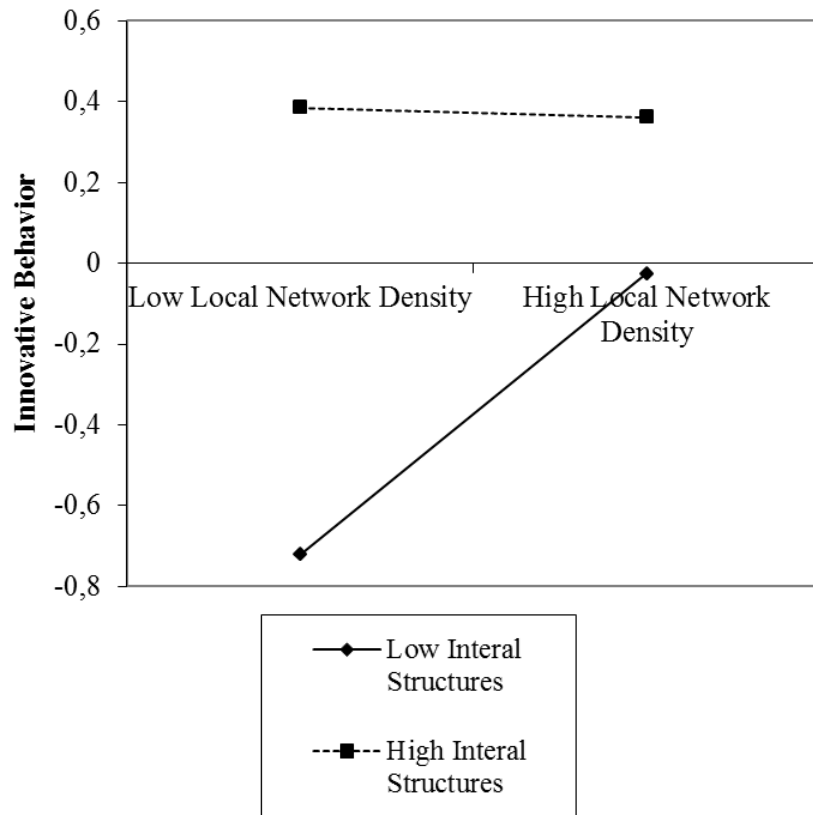


✓ Centrality and Collaboration Quality

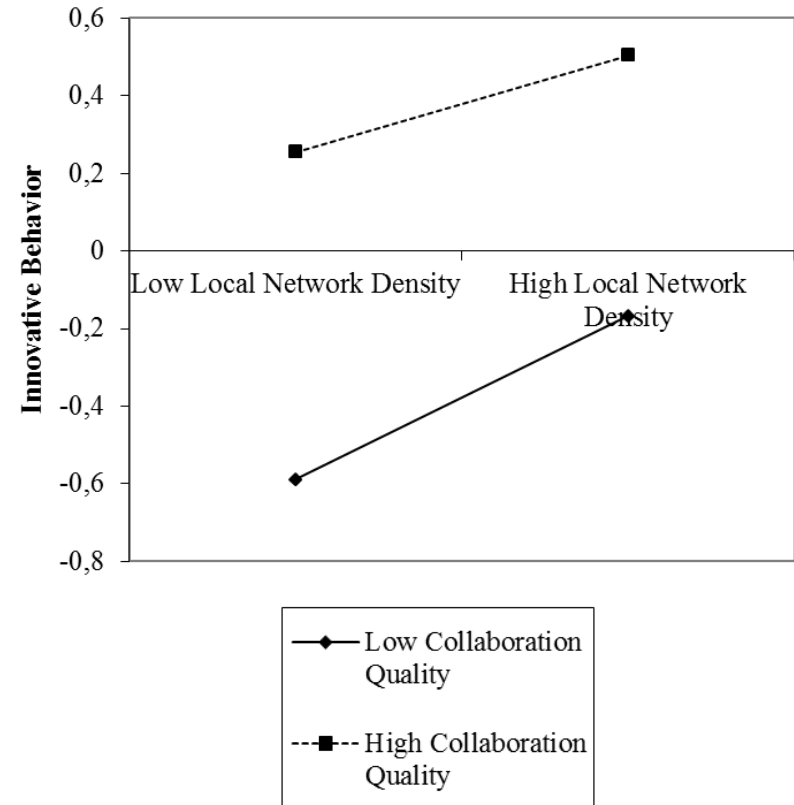


Local Network Density and Moderator Variable Effects

✓ Local Network Density and Formalization of Internal Structures

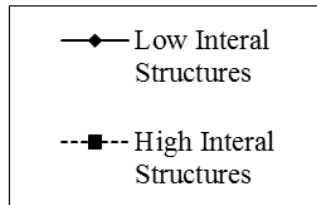
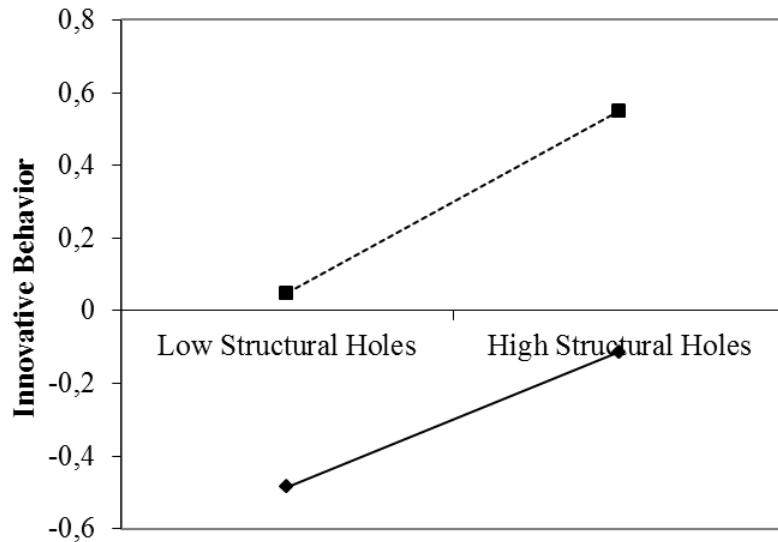


Local Network Density and Collaboration Quality

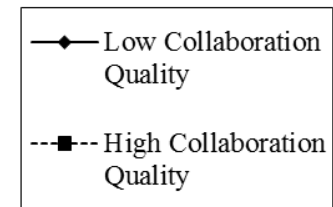
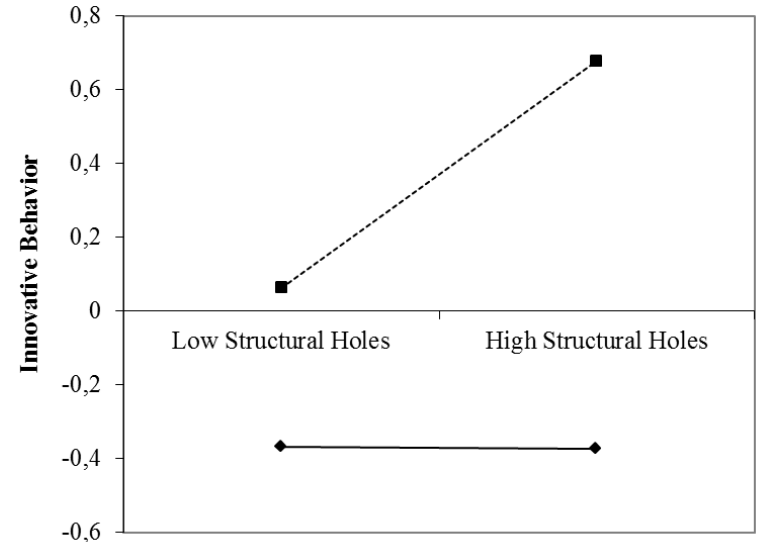


Structural Holes and Moderator Variable Effects

Structural Holes and Formalization of Internal Structures



Structural Holes and Collaboration Quality



Implications for Nonprofit Leaders

- ▶ Network positions in coopetitive environments can boost nonprofit innovative behavior
- ▶ Networks can be strategically managed depending on other organizational traits in order to maximize innovative behavior.
- ▶ Mindful implementation of internal professionalization methods (e.g.. standard operating procedures) to maximize benefits
 - ▶ Be aware of the potential damage of over-professionalization!
- ▶ High quality of collaborative processes enables highly central organizations to better leverage their innovation capabilities

Limitations

Limitations

- ▶ Limited sample size
- ▶ Transferability of results is questionable due to major structural differences (e.g.. financing. legal framework) between nations.
- ▶ Unique combination and co-dependency of public and nonprofits in victim service provision also leads to questions about transferability to strictly nonprofit sectors.

Thank you for your attention

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