Drawing Lines, Spanning Boundaries: Managerial Perceptions of Innovation Value in Public and Nonprofit Organizations

John C. Ronquillo[1]
Department of Public Administration and Policy
School of Public and International Affairs
The University of Georgia
johnron@uga.edu

Prepared for the RGK Center for Philanthropy and Community Service
Summer Fellowship Program, June 2009

[DRAFT COPY: Please do not cite without permission of the author]

[1] Versions of this paper have been presented at the 38th Annual ARNOVA Conference, Cleveland, OH, November 2009, the 10th National Public Management Research Conference, Columbus, OH, October 2009, and the 2009 Southeastern Conference on Public Administration, Louisville, KY, September 2009. I wish to thank Hal Rainey for valuable and insightful comments on this paper. Thanks are also due to Peter Frumkin, Sondra Barringer, Erica Coslor, Daniel L. Smith, Lindsey McDougle, Jasmine McGinnis, Olena Verbenko and Tamitha Walker for helpful comments. I am also grateful to Barry Bozeman, Mary Feeney, and all others involved in the production, support and funding of the NASP-III data. Any omissions or errors are the sole responsibility of the author.

ABSTRACT

Despite the large and varied selection of literature on innovation, questions about the diverse organizational aspects of innovation and the differences of innovation in public and nonprofit organizations still remain. This study compares public and nonprofit organizations on their perceived innovativeness and analyzes the environmental factors and organizational practices that are presumably related to innovation. This paper uses survey data from the National Administrative Studies Project III (NASP-III) that surveyed managers in public and nonprofit organizations in Georgia and Illinois over a three wave, 10-month span, on a variety of organizational topics. Using multinomial logistic regression, the findings show that variables such as flexibility, the ability to serve the public interest, and incentives are positively related to innovation in both public and nonprofit organizations. Variables such as employee and managerial risk aversion, and red tape negatively affect innovation. Other variables, including job security, organizational pride and performance-based promotion vary by sector.

INTRODUCTION

On April 21, 2009, President Barack Obama signed into law the Edward M. Kennedy Serve America Act that took effect on October 1 of the same year. Since the passage of this legislation, the Corporation for National and Community Service (CNCS) has solicited preliminary public input to assist in "strategic planning for the future [that] will require the best ideas and thoughts from around the country" (CNCS, 2009a). The Act, through the Corporation for National and Community Service, has the intent

> *…to expand opportunities for all Americans to serve, to focus on important national outcomes, to be a catalyst for social innovation, and to support the nonprofit sector. In achieving these goals, the Corporation must look for new ways to build on the assets of federal and private programs while reducing unnecessary burdens* (CNCS, 2009a).

Though collaborative actions between government and nonprofit organizations are now common (Smith & Lipsky, 1995; Light, 1998; Milward & Provan, 2000, 2003) the Kennedy Serve America Act is bringing a renewed attention to the need for innovation. One striking element of the act is the emphasis placed on social innovation, specifically that which finds its genesis in the nonprofit sector. In his inaugural address, President Obama called for a "new era of responsibility" that will complement his ambitious agenda for renewed investment in national service (including the Corporation for National and Community Service, the parent organizations of Senior Corps, AmeriCorps, and Learn and Serve America) and social innovation (CNCS 2009b). In early May 2009, President Obama solicited the help of Congress in procuring $50 million for a new Social Innovation Fund in FY2010 to support successful and innovative nonprofits. In her remarks to the Council on Foundations' 2009 annual conference, Melody Barnes, director of the White House domestic policy council, stated that the funds would provide "growth capital to support the replication of high-impact, results-oriented nonprofits in communities around the country. It will build a pipeline of programs that have demonstrated results and are ready to spread across the country to solve our most serious problems" (Wilhelm, 2009). These developments suggest that convergence between the public and nonprofit sectors will advance even further than it has to date. Government already relies on nonprofit organizations to address critical social issues, and will become even more so.

Because of this initiative, managers in the public and nonprofit sectors will face challenges regarding the implementation of new projects and programs. However, before addressing those issues it is valuable to examine innovation in the public and nonprofit sectors. While much of the emphasis of this renewed focus on innovation has been placed on service delivery (or ends), the organizational capacity to innovate and the various constraints on innovation must first be analyzed. The social innovations that are sought undoubtedly have an intricate relationship with organizational innovation. In some cases, management innovation precedes social innovation, and vice versa. That is, social innovation may force organizations to innovate in order to remain "competitive" with other organizations that have already enhanced their management practices with novel techniques.

This paper presents an analysis based on survey results of public and nonprofit managers in Georgia and Illinois (n = 1,220). It analyzes their responses to survey items about innovation in their organizations and about the variables that can influence innovation. The results indicate that nonprofit managers perceive their organizations to be more innovative than do public managers of their organizations. Then, results show that the variables or environmental attributes that may be linked to innovation vary by sector, that is, some factors that contribute to innovative organizations may be more significant in the public sector versus the nonprofit sector and vice versa. I begin with a brief review of innovation in the organizational context, followed by the theoretical framework for this study. I then describe the methodology and variables of interest, followed by a presentation of results from the statistical analysis, and interpretations and conclusions.

Defining Innovation in the Organizational Context

Over forty years ago, Victor A. Thompson's (1965, 1969) research on organizational innovation posited that within organizations "we have an excess of means (*i.e.,* knowledge) over ends. We have far more information than we know what to do with. Thus, we are seriously in need of creative thinking with regard to values and goals; we need to find new and worthwhile uses for our knowledge." He then posed the following question: "How well adapted are modern administrative institutions to these innovative needs?" (Thompson, 1969: 2).

Though the administrative institutions about which Thompson wrote have changed exponentially over the past four decades, innovation is and will remain an essential component of all organizations (Drucker, 1985; Frumkin, 2002; Birkinshaw, et al., 2008). Though some organizations differ in terms of motives or reasons to innovate (or not to innovate) scholars have discussed and analyzed this topic because of its importance to the vitality of organizations (*e.g*. Mohr, 1969; Downs & Mohr, 1976, 1979; Daft, 1978; Damanpour, 1991; Bolton, 1993; Wolfe, 1994; Rainey, 1999, 2003). Despite the large body of research on various types of innovation in the literature, many questions about the organizational aspects of innovation need further examination and analysis. Such questions concern the nature of innovation in public and nonprofit organizations, whether those two sectors differ in innovativeness, and the environmental factors that affect organizational innovation (Damanpour & Evan, 1984: Tropman, 1989; Kimberly, et. al, 1990; Linden, 1990; Borins, 1999; Light, 1998; Jaskyte, 2004, 2005; McDonald, 2007; Walker, 2008; Birkinshaw, et al., 2008). Are there specific factors or antecedents that promote or inhibit innovation? Are there aspects of innovation that are enhanced or carried out to a greater degree in the public sector as compared to the private sector, and vice versa? This paper investigates and seeks answers to such questions.

Two recent articles are helpful in framing a general concept of innovation and its components. Birkinshaw, Hamel and Mol (2008) center their work on management innovation, which involves the introduction of a novelty in an established organization, and represents a particular form of organizational change. They also define management innovation as the creation of a difference in the form, quality or state over time of the management activities in an organization, where the change is a novel or unprecedented departure from the past (Birkinshaw, Hamel & Mol, 2008). These authors identified four key perspectives in the literature they review:

1. *An institutional perspective that focuses on the socio-economic conditions in which new management and ideas take shape (e.g. What institutional conditions give rise to the emergence and diffusion of management innovations?)*
2. *A fashion perspective that focuses on the dynamic interplay between users and providers of management ideas (e.g. How do aspects of supply and demand for new ideas affect their propagation?)*
3. *A cultural perspective that focuses on how an organizations react to the introduction of a new management practice (e.g. How do management innovations shape, and get shaped by cultural conditions inside an organization?)*
4. *A rational perspective that focuses on how management innovations—and the individuals who drive them—deliver improvements in organizational effectiveness (e.g. What is the role of managers in inventing and implementing new management practices?)* (Adapted from Birkinshaw, Hamel & Mol, 2008: 827).

Walker (2008) defines innovation as a process through which new ideas, objects, and practices are created, developed or reinvented, and which are new for the unit of adoption. Walker notes that public organizations sometimes innovate in search of legitimacy and may not fully adopt an innovation. An actual innovation must be more than an idea; implementation has to occur (Walker, 2008). This is just as easily assumed to be the case for many nonprofit organizations that also seek to innovate for legitimization purposes. Though this paper concerns itself less with quantifying specific items of innovations adopted and implemented, and more with discovering what environmental factors influence innovation, Walker's (2008) research provides insightful perspective on the topic. Additionally, Walker (2008) defines specific types of innovation. They are:

Service Innovation: Defined as new services offered by public organizations to meet an external user or market need—they are concerned with *what* is produced.

Organization Innovation: Innovations in structure, strategy, and administrative processes. They include improvements in an organization's practices and the introduction of new organizational structures.

Marketization Innovation: Involves modifying the organization's operating processes and systems to increase the efficiency or effectiveness of producing and delivering its services to users.

Ancillary Innovation: Identified by Damanpour (1987) and differentiated from other innovations because they are concerned with working across boundaries with other service providers, users, or other public agencies. Ancillary innovation is, for example, most identifiable with cross-sector collaboration or collaborative governance.

Innovation in Organizations

The body of research on innovation is vast and varied and delves into subject matter that ranges from the scientific and technical to the organizational and social (Thompson, 1965, 1969; Damanpour, 1987, 1996; Damanpour, Szabat & Evan, 1989; Perry et al., 1993; Damanpour & Gopalakrishnan, 1998; Rainey, 2003; Birkenshaw, Hamel & Mol, 2008; Walker, 2008). This paper is concerned with the latter—organizational aspects of innovation. The literature on organizational innovation in public and nonprofit management includes studies that are widely varied and difficult to summarize. Nevertheless, authors have advanced useful observations and conclusions.

Linden (1990), for example, concluded that innovative managers share seven characteristics: strategic action, holding on and letting go, creating a felt need for change, starting with concrete change, using structural changes, dealing with risk, and using political skills. He further concluded that innovation requires rational and intuitive thinking and occurs where leaders provide time, freedom, flexibility, and access to resources. Borins (1998) concluded that successful innovations occur where there is systematic thinking and planning for change, and also where programs apply new technology, undertake process improvements, utilize the private sector, voluntarism and internal competition. He stipulated that successful innovation takes place via three main paths, which are 1) politicians responding to crises; 2) newly appointed agency heads restructuring organizations; and 3) midlevel and frontline workers responding to internal problems and taking advantage of opportunities. He found that about half of the persons initiating award-winning innovations were career civil servants below the agency head level (Borins, 1998). This indicates that employees are willing to take on responsibilities or work that might not be required of them, and perhaps more importantly, may potentially engage in risk taking on their behalf. Light (1998) used a case analysis and a survey to assess innovation in nonprofit organizations. He cited four factors that influence innovativeness: the external environment, the internal structure, leadership, and internal management systems (Light, 1998). Many of these characteristics serve as the basis for the independent variables that will be used in this analysis.

One of the biggest challenges that scholars face concerns the translation of theory to practice, since academics might possibly be losing ground to industry or consultants in terms of the ability to influence innovative practices (Birkinshaw, Hamel & Mol, 2008). However, programs such as the Innovations in American Government Awards sponsored by the Ash Institute for Democratic Governance and Innovation at the Harvard Kennedy School have provided opportunities for research that have seemingly narrowed the theory-practice divide on this subject[2] (Borins, 2008).

CONCEPTUAL FRAMEWORK

The study of innovation in organizations has been examined through a variety of lenses, though attempts to draw comparisons or contrasts across sectors have been relatively scant. This is, perhaps, due to the difficulty of encompassing organizations into distinguishable categories for purposes of comparison. Third sector organizations often grouped in a general "nonprofit" category vary widely among themselves (*i.e.* charities, private family foundations, community foundations, cooperative agencies, etc.). A purely charitable giving organization and a business association for tax purposes may both be considered nonprofit organizations, even though their missions differ in scope, as may the size of their organization and capital resources. Management practices within the organizations are also assumed to differ depending on these conditions. Brody (2003) wrote on this "classification conundrum" that

[2] See Behn (1988, 1991), Bardach (1998), Borins (1998, 2008), Donahue (1999) and Barzelay (2002).

> *[t]here has been no clear demarcation between the public, business, and nonprofit sectors through history, and variously changing mixed-sector industries are common (see, generally, Brody, 1997)… [c]onfoundingly, for taxonomists, once we add factors such as resource dependence, the pattern of firms looks more like a marble cake than a matrix. It no longer makes sense to ask a binary question like: Does a nonprofit corporation that receives all of its funding from government contracts belong in the nonprofit sector or the public sector?* (Brody, 2003: 240).

Regardless of the difficulties in categorizing organizations, nonprofits, business organizations and public agencies can be distinguished clearly enough for the exploration of the differences of innovation across sectors, or in the case of this study, between the nonprofit and public sectors.

Comparing and Contrasting Innovation in Public and Nonprofit Organizations

Throughout history, the sectors generally identified as concerned with the provision of "public" services have been those of the public and nonprofit sectors. Though one may point to instances of private business organizations who—through, for example, a corporate philanthropy—assist in meeting social welfare needs, this paper will retain a focus on the public and nonprofit sectors. The majority of scholarly studies have examined innovation primarily in the private sector, creating a need for additional studies of public and nonprofit organizations.

Table 1. Perceived Creativity and Innovativeness by Sector

Public Sector Respondents (n=759)				Nonprofit Sector Respondents (n=394)		
Public	Business	No difference	***Employees are more creative and innovative***	Public	Business	No difference
5.93% (n=45)	65.22% (n=495)	28.85% (n=219)		13.45% (n=53)	44.42% (n=175)	42.13% (n=166)

Source: National Administrative Studies Project III

Table 1 shows the responses from one item in the National Administrative Studies Project III survey. The statement is, "Employees are more creative and innovative," to which respondents from both the public and nonprofit sectors chose among public organizations, business organizations, or that there was no difference between the sectors in terms of innovativeness. Of the public sector respondents, just about six percent claimed that their own sector had more creative and innovative employees, while over 65% said that business sector employees were more innovative, and slightly more than 28% said there was no difference. Nonprofit sector respondents were more likely to say their public sector counterparts were more innovative at just over 13%. And of the nonprofit respondents, about 44% said employees in the business sector were more creative and innovative while just over 42% said there was no difference. These large variations in the perception of innovation indicate the need for more analysis of the public and nonprofit sectors at the organizational level.

These differences in perception are important because innovativeness depends on the ability to attract individuals with the necessary skills needed in various aspects of organizational operations. Employees will have a set of preferences and expectations when choosing to work for a public or nonprofit organization. Regardless of sector, employees seek specific attributes in their work environment (Blank, 1985; Light, 2003; Buelens & Van den Broeck, 2007). They may seek a job that is secure, and seek employment in organizations with good reputations and those that retain employees through adequate salaries and other work-based incentives (Light, 2003). Those who have a desire to serve the public or the public interest could choose organizations in any sector—including public and nonprofit—but will be more likely choose the organization that best suits their needs (Buelens & Van den Broeck, 2007). These needs may also include reasonable workloads and time commitments, clarification of responsibilities and tasks, flexible practices in the workplace, and opportunities for advancement or promotion (Goodstein, 1994; Hohl, 1996; Gonyea, 1999). Employees of public and nonprofit organizations typically seek to find meaning in the work they do and therefore may be more committed to work and have a higher sense of organizational pride (Boxx & Odom, 1991; Leete, 2000; Fernandez & Rainey, 2006). Additionally, the nonprofit sector continues to obtain a growing share of the U.S. labor market. In a two-year time span from 2002 to 2004, the number of employees in the nonprofit sector[3] grew by slightly more than 5% while total employees across all sectors in the U.S. workforce decreased slightly by 0.2% (Salamon & Sokolowski, 2006).

These patterns of variation in the sectors provide theoretical and practical reasons to analyze the differences in innovation in the public and nonprofit sectors. From the theoretical perspective, public agencies are owned and funded by government, and are often subject to more legal and institutional constraints that may lower innovation. Nonprofits have more independence from government control and often

[3] Not including volunteers.

from government funding, which may enhance their ability to innovate. Most government agencies receive revenues from the tax base; nonprofits usually do not (except via government grants or contracts), such that nonprofits must rely on multiple sources of revenue (*e.g.,* donations, corporate and foundation grants, etc.). Nonprofit funding is typically more cyclical and changing, whereas the permanence of the tax flow to the government gives that funding stream more permanence, and in some cases, this might lead to bureaucratic inertia. As a result, nonprofit organizations face a much more uncertain resource environment than their counterparts in the public sector. Therefore, nonprofits might stay innovative in response to turbulent conditions in their resource environment (Pfeffer & Salancik, 1978).

Frumkin (2002) highlighted three important differences between nonprofit organizations and their public and private counterparts: "1) they do not coerce participation; 2) they operate without distributing profits to stakeholders; and 3) they exist without simple and clear lines of ownership and accountability…these structural features give these entities a set of unique advantages that position them to perform important societal functions neither government nor the market is able to match" (p. 3). In practical terms, if nonprofits are more innovative, the public sector may need to rely more on nonprofits to innovate in various policy or social program areas. Additionally, it is likely that there are implications for public service and those choosing it as a career. Surveys and other evidence indicate that service-oriented younger people regard nonprofit organizations as serving the public in a more direct manner than do public organizations, and as more effective vehicles for social change (Light, 2003). People often seek employment in nonprofits for reasons related to the nonprofits' innovative capacity.

While it is important to avoid oversimplifying the distinctions among sectors (Bozeman, 1987; Rainey, 2003), evidence does indicate significant differences among public, private, and nonprofit organizations (Rainey, 1983; Perry & Rainey, 1988; Coursey & Bozeman, 1990; Lan & Rainey, 1992; Knott, 1993; Brilliant, 2001; Boyne, 2002; Rainey, 2003).

This analysis sets forth the following propositions:

P1: <u>Risk and exposure variables influence perceptions of organizational innovation.</u>

P1a: Individuals who are secure in their jobs are more likely to assert their organization values innovation.

P1b: Individuals who perceive employees to be risk averse are less likely to agree their organizations value innovation.

P1c: Individuals who perceive managers to be risk averse are less likely to agree their organizations value innovation.

P2: <u>Elements of bureaucracy influence perceptions of organizational innovation.</u>

P2a: Individuals that work in organizations with flexible work practices are more likely to agree their organizations value innovation.

P2b: Individuals who identify red tape within their organizations are less likely to agree their organizations value innovation.

P3: <u>Elements of organizational culture influence perceptions of organizational innovation.</u>

P3a: Individuals who are able to fulfill their desired ability to serve the public interest are more likely to agree their organizations are innovative.

P3b: Individuals who believe their organizations have high quality and good reputations are more likely to agree their organizations value innovation.

P3c: Individuals who believe the most important things that happen in their lives involve their work are more likely to agree their organizations value innovation.

P3d: Individuals who have pride in their organization are more likely to agree their organizations value innovation.

P3e: Individuals who trust their managers are more likely to agree their organization values innovation.

P4: The nature of work being performed influences perceptions of organizational innovation.

P4a: Individuals that work long hours are less likely to agree their organizations value innovation.

P4b: Individuals who believe they do high quality work are more likely to believe their organizations value innovation.

P4c: Individuals who are given incentives to work hard in their jobs are more likely to agree their organizations value innovation.

P4d: Individuals who believe promotions are based on performance in their workplace are more likely to agree their organizations value innovation.

P5: The education and training of employees influences perceptions of organizational innovation.

P5a: Individuals who have received a graduate or professional degree are more likely to agree their organizations value innovation.

P5b: Individuals who have received at least a bachelor's degree are also more likely to agree their organizations value innovation.

DATA and METHODS

Sample and Data

This paper uses survey data from the National Administrative Studies Project III (NASP-III). NASP-III surveyed managers in public and nonprofit[4] organizations in Georgia and Illinois over a three wave, 10-month span, on a variety of organizational topics including work motivations and environment, organizational rules and procedures, and various demographic characteristics. At the completion of the survey, 1,220 persons responded yielding an overall response rate of 39%. Of the respondents,

[4] The majority of nonprofit organizations were either classified as 501(c)(3) public charities or 501(c)(6) business leagues. Because of the different nature of these two types of organizations, separate regressions were initially run for each type of nonprofit organization. In each case, results were nearly identical, and therefore all nonprofit observations were left in one, single sample for comparison with the public observations.

790 (64.8%) were from the public sector. Of those public sector respondents, 432 were from Georgia (54.7%) and 358 (45.3%) were from Illinois. Also from the public sector respondents, 440 (55.7%) were male and 344 (43.5%) were female. The nonprofit portion of the sample yielded a total of 430 (35.2%) respondents with 107 (24.9%) from Georgia and 323 (75.1%) from Illinois. From the nonprofit respondents, 204 (47.4%) were male and 221 (51.4%) were female.

Description of Variables

The Appendix provides the wording for the survey items that serve as indicators for the variables in the study. The dependent variable *organizational innovation* was constructed from a questionnaire item asking respondents to rate the innovativeness of their organization on a four-point Likert scale, that is, to what degree did the respondent agree that their organization valued innovation (4 = Strongly Agree, 3 = Agree Somewhat, 2 = Disagree Somewhat, and 1 = Strongly Disagree). Based on theories from previous research and other assumptions presented in this paper, 16 independent variables[5] were included in this analysis. These variables were sorted into five different categories[6]: 1) risk and exposure within the organization, 2) bureaucratic elements of the organization, 3) organizational culture, 4) the nature of the work being performed in the organization, and 5) education and training.

---

[5] Initially, twenty-three variables were included in the statistical analysis. After the composition of a correlation matrix, it was determined that some variables' lack of correlation and statistical significance allowed for them to be removed from the model. The remaining variables' coefficients, their direction and statistical significance were unchanged by this alteration. A full listing of descriptive statistics and survey items is included in the appendix.

[6] These categories are representative of the work in this paper and do not reflect the original survey sections used in the NASP-III instrument.

Risk and Exposure. These variables were grouped together in order to conceptualize to what extent risk was related to innovation. The first of these variables is based on respondents ranking the importance of their *job security* as a motivation to take their current position (4 = Very Important, 3 = Somewhat Important, 2 = Somewhat Unimportant, and 1 = Not Important). The variables *employee risk aversion* and *managerial risk aversion* are based on the statements "Employees in this organization are afraid to take risks" and "Top management in this organization is afraid to take risks," respectively, and are both rank-ordered on a four-point scale (4 = Strongly Agree, 3 = Agree Somewhat, 2 = Disagree Somewhat, and 1 = Strongly Disagree).

Bureaucracy. Two variables were grouped to relate the bureaucratic environment to innovation in the public and nonprofit sectors. The first variable used here is *flexibility,* which is based on the statement "My job offers a great deal of flexibility" and is rank-ordered on a four-point Likert scale. *Red tape,* defined in the NASP-III survey as "burdensome administrative rules and procedures that have negative effects on the organization's effectiveness," was measured on an eleven-point scale from zero to ten, zero being "almost no red tape" and ten being a "great deal of red tape."

Organizational Culture. Like bureaucracy, these variables of organizational culture are also used with environmental characteristics in mind. Here, respondents were asked to rate first, the *ability to serve the public interest* along with the overall *quality and reputation of the organization*. The variable *work most important* is based on the statement "The most important things that happen to me involve my work." The variable for *organization pride* is based on the statement "I feel a sense of pride working for this organization," and finally *managerial trust* is based on the statement "Top management displays a high level of trust in this organization's employees." All of these variables were based on a four-point Likert scale.

Nature of Work. These variables delineate the nature of the work performed in the respective organizations. *Work hours* is a variable based on the number of hours worked during a typical work week as reported by the respondents. *Quality of work* is based on the statement "I would rate the overall quality of work being done in my organization as very good." A variable on *incentives* is also included, based on the statement "There are incentives for me to work hard in my job." And lastly, the statement "Because of the rules here, promotions are based mainly on performance" comprises the variable *performance-based promotion*. *Quality of work, incentives,* and *performance-based promotion* are all rank-ordered variables on a four-point Likert scale.

Education and Training. This category includes two education variables[7]: whether respondents have a *bachelor's degree* (Yes = 1, No = 0) and whether or not they have a *graduate or professional degree* (Yes = 1, No = 0).

RESULTS

Table 2 displays results for both a model for public sector respondents as well as a model for nonprofit sector respondents (grey shaded columns). The methodology used merits a brief aside. Since *organizational innovation* was rank-ordered on a four-point Likert scale, the original model was tested using an ordered logistic regression. However, this method violated the proportional odds assumption (or "Brant" test) in

[7] These variables were recoded to allow as much mutual exclusion as possible, though "Graduate or Professional Degree" will be highly correlated with "Bachelor's Degree" (*e.g.* one must have a baccalaureate degree in order to obtain a graduate degree).

each instance and a multinomial logistic regression was substituted instead. This is beneficial for interpreting to what degree respondents agreed or disagreed their organizations were innovative in relation to the explanatory variables. Though specific measures and scales of innovation have been constructed[8], the item in the survey was based on a single statement, and therefore, it is assumed that the concept of innovation may differ from person to person. Because of this, the multinomial logistic regression would allow for an analysis that would demonstrate coefficients at each level of agreement in terms of respondents' answers to how innovative they believed their organizations to be, or to what degree their organizations value innovation. Of the respondents, 481 (nearly 40%) "agreed somewhat" that their organizations valued innovation. As such, "Agree Somewhat" is the base outcome of the analysis to which the other responses are compared. The multinomial logistic option also yielded similar results to the ordered logistical model, though somewhat more robust. For example, the R-squared for the public sample increased slightly from .23 in the ordered logistic model to .25 in the multinomial logistic model, and even more so in the nonprofit sample, from .25 in the ordered logistic model to .30 in the multinomial logistic model.

The regression models with log estimates, odds estimates, and the respective levels of significance show that various environmental characteristics do, in fact, vary by sector. In some cases, what was of significance in the public model (*i.e.* quality and reputation) was not so in the nonprofit model, and conversely, what was significant in the nonprofit model (*i.e.* work most important) was not significant in the public model[9].

---

[8] See Borins (1998).

[9] Variables on salary as a motivation for taking the current job, the age of the organization, the size of the organization, gender, employee age, race, and a dummy variable for whether or not respondents had earned a high school diploma were included in an initial analysis. None of these variables were significant

The coefficients in the models (Table 2) indicate the effects of the independent variables in relation to respondents' choice of *strongly disagree, disagree somewhat,* and *strongly agree* compared to *agree somewhat* (base category) in terms of the innovativeness of the organization. In addition to the raw coefficients, odds estimates are included for ease of reporting results. The odds coefficients with a value greater than one demonstrate that an increase in the independent variable increases the odds of being in the non-base category relative to the base category (agree somewhat). An odds coefficient with a value that is less than one decreases the odds of being in the non-base category.

In terms of the risk and exposure variables, *job security* in the public sample decreases the odds of strongly agreeing that the organization values innovation, and was not significant in the nonprofit sample. The risk variables, however—both for employees and managers—achieved strong significance in both the public and nonprofit samples. *Employee risk aversion* and *managerial risk aversion* both increase the odds that a respondent will *strongly disagree* or *disagree somewhat* that their organization is innovative. In sum, it would seem that risk aversion has a strong, negative effect on organizational innovation.

The bureaucracy variables of *flexibility* and *red tape* yield interesting findings, as well. In the public sample, flexibility decreases the odds of strongly disagreeing an organization values innovation; most likely this suggests that flexibility could be positively related to innovation. In the nonprofit sample, flexibility increases the odds of strongly agreeing that the organization values innovation. *Red tape*, though not as

---

in either the public sample or the nonprofit sample, or in either the ordered logistical model or the multinomial logit model. These variables have been removed from the model for facility of reporting results, however descriptive statistics are included in the appendix.

statistically significant ($p<.10$) as some of the other variables, increases the odds of strongly disagreeing or disagreeing somewhat in the public sample, and strongly disagreeing in the nonprofit sample.

Table 2. Multinomial Logistic Regression Results

Independent Variables	Contrast	Log Estimates		Odds Estimates		Standard Error	
		Public	NP	Public	NP	Public	NP
Risk & Exposure							
Job Security	**SD***vs*AS	-.06	.40	.94	1.49	.21	.58
	DS*vs*AS	.04	-.13	1.04	.88	.14	.20
	SA*vs*AS	-.33*	-.17	.72*	.84	.18	.16
Employee Risk Aversion	**SD***vs*AS	.74***	2.03***	2.10***	7.61***	.22	.65
	DS*vs*AS	.27*	1.30***	1.31*	3.67***	.15	.26
	SA*vs*AS	-.14	.02	.87	1.02	.21	.21
Managerial Risk Aversion	**SD***vs*AS	.46**	1.35**	1.58**	3.86**	.20	.56
	DS*vs*AS	.09	.41*	1.09	1.51*	.14	.21
	SA*vs*AS	-.16	-.35*	.85	.71*	.20	.20
Bureaucracy							
Flexibility	**SD***vs*AS	-.50***	.30	.61***	1.35	.18	.45
	DS*vs*AS	-.20	.02	.82	1.02	.13	.21
	SA*vs*AS	.06	.48**	1.06	1.62**	.20	.22
Red Tape	**SD***vs*AS	.18*	.41*	1.20*	1.51*	.09	.22
	DS*vs*AS	.10*	-.05	1.11*	.95	.05	.08
	SA*vs*AS	-.01	-.09	.99	.91	.07	.07
Organization Culture							
Ability to Serve Public Interest	**SD***vs*AS	-.24	-1.03*	.79	.36*	.19	.41
	DS*vs*AS	-.33**	-.23	.72**	.80	.14	.16
	SA*vs*AS	-.001	.14	.99	1.15	.21	.14
Quality & Reputation of Organization	**SD***vs*AS	-.70***	-.02	.50***	.98	.19	.45
	DS*vs*AS	-.34**	.34	.71**	1.41	.13	.21
	SA*vs*AS	.06	.04	1.06	1.04	.21	.20
Work Most Important	**SD***vs*AS	-.28	.16	.76	1.17	.20	.53
	DS*vs*AS	.07	.13	1.07	1.14	.13	.20
	SA*vs*AS	.12	.53***	1.13	1.70***	.17	.18
Organization Pride	**SD***vs*AS	-.37	.13	.69	1.14	.24	.73
	DS*vs*AS	-.10	-.56	.91	.57	.18	.36
	SA*vs*AS	.63*	-.27	1.88*	.76	.32	.41
Managerial Trust	**SD***vs*AS	-.55***	-.70	.58***	.50	.20	.50
	DS*vs*AS	-.41***	-.10	.66***	.91	.14	.25
	SA*vs*AS	.03	.13	1.03	1.14	.21	.29
Nature of Work							
Work Hours	**SD***vs*AS	-.04	.01	.96	1.01	.02	.05
	DS*vs*AS	-.02	-.03	.98	.97	.02	.02

	SA*vs*AS	.01	.03	1.01	1.03	.02	.02
Quality of Work	**SD***vs*AS	-.41*	-.85	.66*	.43	.23	.60
	DS*vs*AS	-.42**	-.42	.66**	.66	.17	.32
	SA*vs*AS	.52*	.32	1.68*	1.38	.31	.38
Incentives	**SD***vs*AS	-1.12***	-.96**	.33***	.38**	.23	.46
	DS*vs*AS	-.36***	-.18	.70***	.84	.12	.20
	SA*vs*AS	.13	.37*	1.14	1.45*	.16	.19
Performance-based Promotion	**SD***vs*AS	-.38**	-.03	.68**	.97	.19	.44
	DS*vs*AS	-.24**	-.23	.79**	.80	.12	.20
	SA*vs*AS	-.38**	.17	.68**	1.19	.17	.19
Education & Training							
Graduate/Professional Degree	**SD***vs*AS	.82**	1.61	2.27**	5.00	.37	1.04
	DS*vs*AS	.76***	.36	2.14***	1.43	.25	.42
	SA*vs*AS	-.45	-.39	.64	.68	.34	.34
Bachelors Degree	**SD***vs*AS	.82**	1.13	2.27**	3.10	.39	1.06
	DS*vs*AS	.66**	.70	1.94**	2.01	.26	.46
	SA*vs*AS	-.43	.40	.65	1.49	.35	.39
Constant	**SD***vs*AS	6.71***	-8.51			2.12	5.71
	DS*vs*AS	5.16***	.98			1.49	2.23
	SA*vs*AS	-4.03*	-6.10**			2.21	2.38

SD = Strongly Disagree	**Public**	**Nonprofit**
DS = Disagree Somewhat	N = 740	N = 392
AS = Agree Somewhat[a]	χ^2 = 467.45***	χ^2 = 289.35***
SA = Strongly Agree	Pseudo-R^2 = .25	Pseudo-R^2 = .30

Source: National Administrative Studies Project III
[a]Agree Somewhat is the base outcome of the analysis. As such, it is set as the comparison category and therefore is not shown in the model.
***p<.01; **p<.05; *p<.10 (two-tailed tests)

Regarding organizational culture, the *ability to serve the public interest* decreases the odds of disagreeing somewhat in the public sample and strongly disagreeing in the nonprofit sector. Interestingly enough, the *quality and reputation of organization* does not achieve statistical significance in the nonprofit sample, though the odds are significantly decreased that respondents would *strongly disagree* or *disagree somewhat* in the public sample. *Work importance* is not statistically significant in the public sample, though in the nonprofit sample the odds are that a respondent with work being the most important component of her life would be more likely to *strongly agree* that her organization values innovation. *Organization pride* increases the odds of strongly agreeing in the public sample, though it does not achieve statistical significance in the nonprofit sample. *Managerial trust* decreased the odds that a respondent either strongly disagreed or disagreed somewhat in the public sample[10], which demonstrates that those who value innovation have a significant degree of trust from their respective upper management. Statistical significance is not achieved in the nonprofit sample in terms of managerial trust.

The variables that comprise the nature of work grouping also yield varying results. *Work hours* is not statistically significant in both of the samples, and for *quality of work*, no statistical significance is achieved on the part of the nonprofit sample. In the public sample, however, quality of work decreases the odds of either disagreeing category, and increases the odds of strongly agreeing an organization values innovation. *Incentives* are also statistically significant in both the public and nonprofit samples. The more likely there are to be incentives, the more likely respondents agree that their organizations are innovative. And finally, in terms of *performance-based promotion*, this is the only variable in the sample where all three coefficients decrease the odds in all three comparison categories, thus indicating that respondents are likely to *agree somewhat* that their organization values innovation. However, statistical significance is not achieved in the nonprofit sample.

Lastly, in terms of education and training, having a *graduate or professional degree,* or *bachelor's degree* increased the odds of disagreeing (either strongly or

---

[10] For a recent study on the role of public managers and organizational innovation, see Damanpour and Schneider (2009).

somewhat) that an organization values innovation. Those results for the nonprofit sample, however, are not statistically significant.

DISCUSSION and CONCLUSION

This analysis, based on perceptions of public and nonprofit managers, sheds light on some of the organizational aspects of innovation and the similarities and differences between the two sectors. The perspective of employees, and perhaps managers specifically, is important because of the nature of their jobs as they are usually charged with implementation and management. Whether or not policy–makers, stakeholders, or members of the public consider certain aspects of organizational outputs to be innovative, it is important—crucial even—to explore the perceptions of those who *do* believe their organizations are innovative and what environmental aspects affect these perceptions. The results presented in this study provide interesting similarities and contrasts between the public and nonprofit sectors in terms of organizational innovation. Some of the differences in results between the public and nonprofit samples provide new phenomena that will require even further analysis.

Risk and Exposure. To begin with, the results indicate that job security is negatively related to innovation in public organizations. This could be due to a variety of factors including a stagnant resource environment and merit protections over some government positions. Nonprofit organizations are subject to instability in terms of resources, and employees work at the pleasure of executive directors and governing boards. Nonprofit employees may not feel the same sense of job security, and therefore, results are not significant in that portion of the sample. The analysis shows that risk aversion by both employees and managers hampers innovation. Employees and managers may both want to avoid any missteps that may ultimately result in sanctions against them, or worse, termination of employment. This lessens the chance for risk, which may ultimately be best for organizations, though innovation is unlikely to be incumbent in organizations where risk aversion is standard. This may be an instance where innovation is sacrificed in order to maintain continuous and stable operations.

Bureaucracy. Red tape was described by Bozeman (2000) as “one of the most insidious problems of bureaucracy” (p. 13). It was expected as something inherently negative in organizations to also have a negative relation to perceptions of innovation. This was the case in both the public and nonprofit samples. Rules and procedures that remain in force and “entail a compliance burden but do not advance the legitimate purposes the rules were intended to serve” (Bozeman, 2000: 12) will lower the perceived innovativeness within organizations. Flexibility seems to enhance innovation, or at least the value placed on it. However, flexibility is not clearly defined in the data and is subject to various interpretations. A generalized view of flexible employment may include practices such as a condensed workweek, flexible scheduling or telecommuting. Whatever the interpretation of flexibility may be, this analysis concludes that enhances the perceived value of innovation.

Organization Culture. For both public and nonprofit organization employees, the ability to serve the public interest is a positive factor related to organizational innovation. This may be part of an employee’s “satisfaction of ego” or fulfillment of self-needs obtained by serving the public (McGregor, 1960). People who target the public and nonprofit sectors for employment are likely to contribute to innovative practices or enhance the value of innovation within the respective organization. In terms of organization quality and the reputation of an organization, it may be conceivable that nonprofit managers are not concerned with the reputation of their organizations in the same way that public managers are, however, what does this signify? Perhaps, as Walker (2008) said, public organizations innovate to seek legitimacy, and therefore concern themselves more with organizational repute. Notwithstanding this, do nonprofits not also seek legitimacy in similar manners? The data analysis seems to indicate that is not the case here, but surely nonprofits seek legitimacy in other forms. While some organizations innovate in order to seek legitimacy, many organizations also innovate in hopes of creating positive sustainable change in society that is both effective and efficient, and by doing so, obtain the desired legitimacy. It may also be conceivable that employees and managers in the nonprofit sector are, in fact, more committed to their organizations. This finding is one that must be substantiated by further research. Managerial trust is obviously important in the public sector. This can be attributed to certain issues of autonomy and control. Public agencies are more likely to have a hierarchy and mechanisms of accountability in terms of subordinates reporting to superiors that is not quite as ostensible in nonprofit organizations, where bureaucracy may be less dense, oversight and regulation less critical, and as Frumkin (2002) illustrated, less coercive. Issues of trust can be related to McGregor's (1960) Theory X/Theory Y debate. Under the classical systems theory (Theory X) managers assume that employees dislike work and avoid it whenever possible, and therefore managers feel constrained to use coercion, threats and other mechanisms of control. The theory also postulates that employees want direction; they tend to avoid responsibility, they have little ambition, and yet still seek security in their jobs. The human relations theory (Theory Y), on the other hand claims that employees do not dislike work, but rather see it as a natural component of life. Managers recognize that external controls and coercive threats are not the only way to promote productivity, and are able to provide employees with rewards and self-actualizations needs. In short, managers who gain the trust of their employees will have organizations that place a higher value on innovation.

Nature of Work. The quality of work obtained significance in the public sample, as it apparently increases the likelihood that innovation is valued within the organization. The results in the nonprofit sample demonstrate that the odds are increased to strongly agree that an organization values innovation, though the lack of statistical significance renders it inconclusive. Similarly, performance-based promotion gains more traction with regard to innovation in the public sample, while again, no significance is obtained in the nonprofit sample. However, incentives are positively related to the perceptions employees have with regard to organizational innovation.

Education and Training. The final set of variables yield the same result, and one that does not validate the original proposition that individuals who have received a graduate or professional degree or bachelor's degree are more likely to agree their organizations value innovation. What results is entirely the opposite. The odds are increased in both cases; individuals with these degrees with either disagree somewhat or strongly disagree that their organizations value innovation.

These results yield varied and interesting findings, though it should be noted that although Table 1 illustrates a rather low percentage (5.93%) for public sector respondents who believe employees are more creative and innovative in public organizations, nine of the 16 independent variables have a positive relation to the perceptions of organizational innovation, whereas the nonprofit sample only has four. In the nonprofit sample, nine of the 16 independent variables are not statistically significant. This potentially further compounds the issue of making comparisons across sectors.

What are the implications of innovation in terms of the future of public service? Will potential employees continue to choose certain organizations based on sector because of their ability to innovate? The current trend in many parts of the world has been to *serve* the public rather than merely *work* in the public sector, and along those lines, it appears to be gaining momentum rather than slowing. It appears that innovative practices in both public and nonprofit organizations are indeed making the both sectors an attractive place to work for future generations.

Next Steps: A Brief Note on Replication

Borins (2008) elucidates the fact that many who research innovation become "hostage to the 'best-practices' tradition, with all its associated limitations" (p. 6). He notes that innovation can be unreliable and unstable and illustrates a three-fold critique of best-practice research

> *…it rarely attempts to verify self-reported claims; organizations lauded for best practices today may, without warning, fail tomorrow; and best-practice research focuses solely on the characteristics of successful organizations, rather than comparing the successful with the mediocre and the failing* (Borins, 2008: 7).

This demonstrates that public and nonprofit organizations are not always static, but often are changing and adapting according to various environmental characteristics. Innovation must also be concerned with issues of validity. Though President Obama's call for replication of highly efficient nonprofit organizations is not a novel concept, success in one organization is not always translatable to another. In as much as the perceptions of innovation (and it's desired success) may differ from person to person, so may it also differ from organization to organization. The results of this analysis have demonstrated that risk aversion is most likely negatively related to innovation, but it may also be the same in terms of replication and adoption, and as such, the role of evaluating implemented innovations is necessary in future research.

Organizations, both public and nonprofit, have found ways to be innovative, whether the accolades come from the general public or from organized bodies such as the Ash Institute at the Harvard Kennedy School. Innovation can be continuous, sporadic, competitive, or change-driven, either externally or internally from an organizational standpoint. Government has turned to nonprofit organizations in many forms. Researchers and practitioners have become accustomed to these discussions on the "hollow state" and the increasing partnerships that form out of government contracting with nonprofits to deliver social services and goods (Milward & Provan, 2000; 2003). Oftentimes, the discussion becomes directed at how effective and efficient these partnerships are. Government has, in effect, turned to nonprofit organizations because of their innovativeness, as a mechanism for improving both effectiveness and efficiency. This renewed government attention to nonprofits renders select nonprofit organizations more visible, and thus potentially increases the awareness of the nonprofit sector as a whole.

Thompson (1969) opined, "I would be less than candid if I did not say explicitly that in my opinion most modern organizations in government and business are a bit underinnovative" (p. 5). Were he present today, his stance may have changed.

APPENDIX: Descriptive Statistics

Ordered Variables	Observations	4	3	2	1
Organizational Innovation *(Innovation is one of the most important values in this organization)*	1,205	199 (16.51%)	481 (39.92%)	375 (31.12%)	150 (12.45%)
Job Security *(Job security)*	1,206	658 (54.56%)	387 (32.09%)	96 (7.96%)	65 (5.39%)
Employee Risk Aversion *(Employees in this organization are afraid to take risks)*	1,201	163 (13.57%)	508 (42.30%)	420 (34.97%)	110 (9.16%)
Managerial Risk Aversion *(Top management in this organization is afraid to take risks)*	1,194	137 (11.47%)	427 (35.76%)	398 (33.33%)	232 (19.43%)
Flexibility *(My job offers a great deal of flexibility)*	1,209	392 (32.42%)	548 (45.33%)	207 (17.12%)	62 (5.13%)
Ability to Serve Public Interest *(Ability to serve the public and public interest)*	1,199	522 (43.54%)	446 (37.20%)	138 (11.51%)	93 (7.76%)
Organization Quality/Reputation *(Overall quality and reputation of this organization)*	1,204	503 (41.78%)	483 (40.12%)	138 (11.46%)	80 (6.64%)
Organization Commitment *(The most important things that happen to me involve my work)*	1,206	77 (6.38%)	371 (30.76%)	495 (41.04%)	263 (21.81%)
Organization Pride *(I feel a sense of pride working for this organization)*	1,209	596 (49.305)	470 (38.88%)	107 (8.85%)	36 (2.98%)
Managerial Trust *(Top management displays a high level of trust in this organization's employees)*	1,201	373 (31.06%)	448 (37.30%)	244 (20.32%)	136 (11.32%)
Salary* *(Salary)*	1,201	498 (41.47%)	578 (48.13%)	90 (7.49%)	35 (2.91%)
Quality of Work *(I would rate the overall quality of work being done in my organization as very good)*	1,209	585 (48.39%)	491 (40.61%)	101 (8.35%)	32 (2.65%)
Incentives *(There are incentives for me to work hard in my job)*	1,208	172 (14.24%)	375 (31.04%)	340 (28.15%)	321 (26.57%)
Performance-based Promotion *(Because of the rules here, promotions are based mainly on performance)*	1,193	176 (14.75%)	401 (33.61%)	321 (26.91%)	295 (24.73%)

Unordered Variables	Observations	Mean	SD	Min.	Max
Organization Age* *(Year established)*	1,091	1947.104	37.73	1798	2005
Organization Size* *(Number of full-time Employees)*	1,125	3525.72	5703.10	1	18700
Red Tape *(0-10 point scale ranging from "Almost No Red Tape" to "Great Deal of Red Tape")*	1,193	6.03	2.68	0	10
Work Hours *(___hours worked during typical work week)*	1,196	46.98	7.78	20	90
Male* *(Are you Male/Female?)*	1,208	0.55	---	0	1
Age* *(In what year were you born?)*	1,204	49.4	8.9	23	81
Graduate/Professional Degree *(Graduated from a graduate of professional school—e.g. MBA, MPA, JD, MD)*	1,220	0.45	---	0	1
College Degree *(Graduated from a 4-year college)*	1,220	0.29	---	0	1
High School Diploma* *(High school graduate)*	1,220	0.02	---	0	1
White* *(What is your racial identification? Recoded to 1=White, 0=Nonwhite)*	1,220	0.82	---	0	1

Ordered Variables: 4 = highest (e.g. Very Important) to 1 = lowest (e.g. Not Important)
Survey questions in parentheses
** = omitted from final analysis*

References

Bardach, E. (1998). *Getting Agencies to Work Together: The Practice and Theory of Managerial Craftmanship*. Washington, D.C.: Brookings Institution Press.

Barzelay, M. (2002). *Breaking Through Bureaucracy: A New Vision for Managing in Government*. Berkeley, CA: University of California Press.

Behn, R. D. (1988). "Management by Groping Along." *Journal of Policy Analysis and Management,* 7(4), 643-663.

Behn, R. D. (1991). *Leadership Counts: Lessons for Public Leaders from the Massachusetts Welfare, Training, and Employment Program*. Cambridge, MA: Harvard University Press.

Birkinshaw, J., Hamel, G., & Mol, M. J. (2008). "Management Innovation." *The Academy of Management Review*, 33(4), 825-845.

Blank, R. M. (1985). "An analysis of worker's choice between employment in the public and private sectors." *Industrial and Labor Relations Review,* 38(2), 211-224.

Bolton, M. K. (1993). "Organizational Innovation and Substandard Performance: When Is Necessity the Mother of Innovation?" *Organization Science*, 4(1), 57-75.

Borins, S. F. (1998). *Innovating With Integrity: How Local Heroes Are Transforming American Government*. Washington, D.C.: Georgetown University Press.

Borins, S. F. (ed.). (2008). *Innovations in Government: Research, Recognition, and Replication*. Washington, D.C.: Brookings Institution Press.

Boxx, W. R., & Odom, R. Y. (1991). "Organizational Values and Value Congruency and Their Impact on Satisfaction, Commitment, and Cohesion: An Empirical Examination Within the Public Sector." *Public Personnel Management,* 20(2), 195-205.

Boyne, G. A. (2002). "Public and Private Management: What's the Difference?" *Journal of Management Studies*, 39(1), 97-122.

Bozeman, B. (1987). *All organizations are public*. San Francisco: Jossey-Bass.

Bozeman, B. (2000). *Bureaucracy and Red Tape*. Upper Saddle River, NJ: Prentice-Hall.

Brilliant, E. L. (2001). "The American third sector at the end of the twentieth century: Public and private revisited." In H. K. Anheier & J. K. Kendall, (eds.). *Third Sector Policy at the Crossroads: An international nonprofit analysis*. New York: Routledge.

Brody, E. (1997). "Institutional dissonance in the nonprofit sector." *Villanova Law Review,* 41, 433-504.

Brody, E. (2003). "Are Nonprofit Organizations Different?" In H. K. Anheier & A. Ben-Ner, (eds.). *The Study of Nonprofit Enterprise: Theories and Approaches,* pp. 239-244. New York: Kluwer Academic/Plenum Publishers.

Buelens, M., & Van den Broeck, H. (2007). "An analysis of differences in work motivation between public and private sector organizations." *Public Administration Review,* 67(1), 65-74.

Corporation for National and Community Service. (2009a). "Notice Inviting Preliminary Informal Public Input." *Federal Register,* 74(88), 21662-21663.

Corporation for National and Community Service. (2009b). "Press Release: President Obama Calls on Americans to Serve." Retrieved June 17, 2009. Available at: http://www.nationalservice.gov/about/newsroom/releases_detail.asp?tbl_pr_id =1377.

Coursey, D., & Bozeman, B. (1990). "Decision Making in Public and Private Organizations: A Test of Alternative Concepts of 'Publicness'". *Public Administration Review*, 50(5), 525-535.

Daft, R. L. (1978). "A Dual-Core Model of Organizational Innovation." *The Academy of Management Journal*, 21(2), 193-210.

Damanpour, F. (1991). "Organizational Innovation: A Meta-Analysis of Effects of Determinants and Moderators." *The Academy of Management Journal*, 34(3), 555-590.

Damanpour, F., & Evan, W. M. (1984). "Organizational Innovation and Performance: The Problem of 'Organizational Lag.'" *Administrative Science Quarterly,* 29(3), 392-409.

Damanpour, F. & Schneider, M. (2009). "Characteristics of Innovation and Innovation Adoption in Public Organizations: Assessing the Role of Managers." *Journal of Public Administration Research and Theory,* 19(3), 495-522.

Donahue, J. D. (ed.). (1999). *Making Washington Work: Tales of Innovation in the Federal Government*. Washington, D.C.: Brookings Institution Press.

Downs, G. W., & Mohr, L. B. (1976). "Conceptual Issues in the Study of Innovation." *Administrative Science Quarterly*, 21(4), 700-714.

Downs, G. W., & Mohr, L. B. (1979). "Toward a Theory of Innovation." *Administration & Society*, 10(4), 379-408.

Drucker, P.F. (1985). *Innovation and Entrepreneurship: Practice and Principles*. New York: Harper & Row.

Durkheim, E. (1933). *The Division of Labor in Society*. New York: Macmillan.

Fernandez, S., & Rainey, H. G. (2006). "Managing Successful Change in the Public Sector." *Public Administration Review,* 66(2), 168-176.

Frumkin, P. (2002). *On Being Nonprofit*. Cambridge, MA: Harvard University Press.

Galaskiewicz, J., & Bielefeld, W. (2003). "The Behavior of Organizations." In H. K. Anheier & A. Ben-Ner (eds.). *The Study of Nonprofit Enterprise: Theories and Approaches,* pp. 205-237. New York: Kluwer Academic/Plenum Publishers.

Gonyea, J. G. (1999). "The nonprofit sector's responsiveness to work-family issues." *Annals of the American Academy of Political and Social Science,* 562, 127-142.

Goodstein, J. D. (1994). "Institutional Pressure and Strategic Responsiveness: Employer Involvement in Work-Family Issues." *The Academy of Management Journal,* 37(2), 350-382.

Hohl, K. L. (1996). "The effects of flexible work arrangements." *Nonprofit Management and Leadership,* 7(1), 69-86.

Jaskyte, K. (2004). "Transformational leadership, organizational culture, and innovativeness in nonprofit organization." *Nonprofit Management & Leadership*, 15(2), 153-168.

Jaskyte, K. (2005). "Organizational Culture and Innovation in Nonprofit Human Service Organizations." *Administration in Social Work*, 29(2), 23-41.

Katz, D., & Kahn, R. L. (1966). *The Social Psychology of Organizations*. New York: Wiley.

Kimberly, J. R., Renshaw, I. R., Schwartz, J. S., Hillman, A. L., Pauly, M. V., & Teplensky, J. D. (1990). "Rethinking Organizational Change." In M. A. West & J. I. Farr (eds.). *Innovation and Creativity at Work*, pp. 163-178. New York: Wiley.

Knott, J. H. (1993). "Comparing Public and Private Management: Cooperative Effort and Principal-Agent Relationships." *Journal of Public Administration Research and Theory*, 3(1), 93-119.

Lan, Z., & Rainey, H. G. (1992). "Goals, Rules, and Effectiveness in Public, Private, and Hybrid Organizations: More Evidence on Frequent Assertions about Differences." *Journal of Public Administration Research and Theory*, 2(1), 5-28.

Leete, L. (2000). "Wage equity and employee motivation in nonprofit and for-profit organizations." *Journal of Economic Behavior & Organization,* 43(4), 423-446.

Light, P. C. (1998). *Sustaining Innovation: Creating Nonprofit and Government Organizations that Innovate Naturally*. San Francisco: Jossey-Bass.

Light, P. C. (2003). "In Search of Public Service." Report, Washington, D.C.: Brookings Institution Center for Public Service.

Linden, R. M. (1990). *From Vision to Reality: Strategies of Successful Innovators in Government*. Charlottesville, VA: LEL Enterprises.

McDonald, R. E. (2007). "An Investigation of Innovation in Nonprofit Organizations: The Role of Organizational Mission." *Nonprofit and Voluntary Sector Quarterly*, 36(2), 256-281.

McGregor, D. M. (1960). *The Human Side of Enterprise*. New York: McGraw-Hill.

Milward, H. B., & Provan, K. G. (2000). "Governing the Hollow State." *Journal of Public Administration Research and Theory,* 10(2), 359-379.

Milward, H. B., & Provan, K. G. (2003). "Managing the Hollow State: Contracting and Collaboration." *Public Management Review,* 5(1), 1-18.

Mohr, L. B. (1969). "Determinants of Innovation in Organizations." *The American Political Science Review*, 63(1), 111-126.

Perry, J. L., & Rainey, H. G. (1988). "The Public-Private Distinction in Organization Theory: A Critique and Research Strategy." *The Academy of Management Review*, 13(2), 182-201.

Perry, J. L., Kraemer, K. L., Dunkle, D. E., & King, J. L. (1993). "Motivations to Innovate in Public Organizations." In Bozeman, B. (ed). *Public Management: The State of the Art,* pp. 294-306. San Francisco: Jossey-Bass.

Pfeffer, J., & Salancik, G. R. (1978). *The external control of organizations: A resource dependence perspective*. New York: Harper and Row.

Rainey, H. G. (1983). "Public Agencies and Private Firms: Incentive Structures, Goals, and Individual Roles." *Administration & Society*, 15(2), 207-242.

Rainey, H. G. (1999). "Using Comparisons of Public and Private Organizations to Assess Innovative Attitudes among Members of Organizations." *Public Productivity & Management Review*, 23(2), 130-149.

Rainey, H. G. (2003). *Understanding and Managing Public Organizations* (3e). San Francisco: Jossey-Bass.

Rainey, H. G., Backoff, R. W., & Levine, C. H. (1976). "Comparing Public and Private Organizations." *Public Administration Review*, 36(2), 233-244.

Salamon, L. M., & Sokolowski, S. W. (2006). "Employment in America's Charities: A Profile." National Bulletin, Baltimore, MD: Johns Hopkins Center for Civil Society Studies.

Smith, S. R., & Lipsky, M. (1995). *Nonprofits for Hire: The Welfare State in the Age of Contracting*. Cambridge, MA: Harvard University Press.

Thompson, V. A. (1965). “Bureaucracy and Innovation.” *Administrative Science Quarterly,* 10(1), 1-20.

Thompson, V. A. (1969). *Bureaucracy and Innovation*. Tuscaloosa, AL: University of Alabama Press.

Tropman, J. E. (1989). “Human Service Entrepreneurship: The Four “C” Approach.” *Administration in Social Work*, 13 (3-4): 219-242.

Walker, R. M. (2008). “An Empirical Evaluation of Innovation Types and Organizational and Environmental Characteristics: Towards a Configuration Framework.” *Journal of Public Administration Research and Theory*, 18(4), 591-615.

Wilhelm, I. (2009). “White House Seeks $50-Million for ‘Social Innovation.’” *The Chronicle of Philanthropy Online*. Retrieved May 5, 2009. Available at: http://philanthropy.com/news/updates/index.php?id=8122

Wolfe, R. A. (1994). “Organizational Innovation: Review, Critique and Suggested Research.” *Journal of Management Studies,* 31(3), 405-443.