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Reimagining Nonprofit Innovation in the Aftermath of the COVID-19 Pandemic

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Abstract

This study draws on firsthand accounts from nonprofit executives to develop a more comprehensive understanding of how innovation unfolds within nonprofit organizations, particularly in the period following a major disruption such as the COVID pandemic. An exploratory qualitative design was adopted, using an inductive approach based on detailed, in-depth interviews with executives from ten nonprofit organizations operating in the Northeastern United States. The results highlight the central challenges encountered by nonprofit organizations in the post-pandemic landscape. They further demonstrate how these organizations addressed such challenges through various innovative responses. In addition, the study identifies key conditions that facilitate innovation, along with different categories of innovation that enabled nonprofit organizations to continue delivering services and advancing their social missions after the disruption. By incorporating the experiences and perspectives of nonprofit leaders, this study contributes to the literature by shedding light on how nonprofit organizations and their leadership pursue innovation in response to disruptive events that fundamentally reshape routines and established practices.

Keywords: Collaborative innovation ecosystems, COVID-pandemic disruption, Innovation mechanisms, Innovation types, Nonprofit organization innovation, Post-pandemic challenges

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Introduction

Innovation refers to the process through which organizations generate and apply new ideas to produce value, and it is widely recognized as essential for improving organizational performance and ensuring long-term sustainability [1]. Within nonprofit organizations (NPOs), innovation is especially important because it supports their capacity to respond to complex and changing social issues, improve the effectiveness of service delivery, make efficient use of limited resources, and expand their overall impact in meeting community needs [2]. Existing research has shown that factors such as transformational leadership, well-designed governance systems, and clearly defined missions can play a critical role in fostering innovation within NPO [3-5].

To carry out their activities, NPOs depend on a continuous stream of external resources, including donations, grants, public funding, and service-generated income. This dependence makes them particularly susceptible to external disruptions, such as economic downturns, which can significantly constrain or interrupt resource availability [6, 7]. As a result, NPOs must remain adaptable, strategically respond to adverse conditions, and recover from major disruptions to sustain their missions in uncertain and unstable environments [8-10]. Although the ability of NPOs to cope with challenging conditions has been widely discussed, much of the literature has focused on organizational failure, offering limited insight into how NPOs continue to operate, deliver services, and innovate during crises [11].



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The COVID-19 pandemic represents a significant recent example of a disruptive external shock that placed considerable pressure on NPO sustainability and offers a valuable context for academic inquiry [12]. As noted in a *New York Times* article, the pandemic marked a moment of profound environmental change, requiring organizations—including NPOs—to rapidly adjust their operations to continue fulfilling their missions [13]. Under these unprecedented circumstances, NPOs were required to respond quickly to a range of operational and strategic challenges while simultaneously addressing evolving community needs, reduced funding opportunities, and shifting patterns of donor support, among other unexpected developments [12]. Since the onset of the pandemic, the nonprofit sector has been described as experiencing a “double hit,” as organizations faced financial constraints while also being required to respond to increased service demand [7]. At the same time, many NPOs—even those operating in economically developed contexts—lack sufficient expertise and capabilities in disaster management [14].

Despite the scale and significance of these challenges, there remains a limited empirical understanding of how NPOs adapt to external shocks while continuing to pursue their social missions [15]. Some recent studies [10, 11, 16] emphasize the importance of collaboration between nonprofit and private actors, as well as organizational resilience, in navigating crises. [9] further highlight the role of revenue diversification, creativity, and strategic flexibility in enabling NPOs to adapt their business models during the COVID-19 pandemic. Building on these insights, it is important to investigate further how NPOs respond to disruptive events such as COVID-19 and continue to serve their communities despite significant uncertainty and resource limitations.

Given the limited research on this topic [15] and the recent onset of the pandemic, this study addresses two key, interconnected questions. First, what are the major challenges NPOs face in the aftermath of the pandemic? Second, how do NPOs respond to these challenges and engage in innovation to sustain their missions in the post-pandemic context? To explore these questions, we adopt an inductive, exploratory research design to examine managerial responses and innovation practices in NPOs following the pandemic. Specifically, ten in-depth interviews were conducted with executives leading different types of nonprofit organizations in the Northeastern United States. This qualitative approach enables the collection of rich, detailed insights from individuals directly involved in managing these challenges. Through this approach, the study seeks to capture complex dynamics that are difficult to identify through quantitative methods or secondary data, thereby offering more nuanced contributions to the nonprofit literature and practice.

Theoretical background

Innovation in nonprofit organizations has gained growing attention as a key mechanism for responding to external pressures while supporting both organizational development and mission-oriented objectives [15]. Existing scholarship identifies a range of determinants shaping innovation, including governance arrangements, leadership approaches, organizational culture, and mission clarity [17-19]. To begin with, governance structures are central to determining the innovative capacity of nonprofit organizations [20-22] underline the hybrid nature of nonprofit social enterprises, which must reconcile social objectives with economic considerations. Adjustments in governance—particularly the inclusion of board members with commercial backgrounds—have been recognized as essential for managing the tensions arising from these competing logics [23]. Such shifts toward greater professionalization have transformed decision-making processes by promoting the incorporation of varied cognitive viewpoints, thereby strengthening innovation potential [22].

Furthermore, research on leadership—largely centered on transformational leadership—demonstrates a meaningful yet complex relationship with innovation in nonprofit organizations [2, 5, 24]. points out that although leadership behaviors are often theoretically associated with innovation, empirical findings suggest a more intricate reality. On one side, transformational leaders can encourage innovation by cultivating a culture that supports creativity and risk-taking [2]. On the other side, excessively cohesive organizational cultures may limit the diversity of perspectives, thereby constraining innovative outcomes [25]. Consequently, leaders must carefully manage the balance between promoting alignment and preserving diversity of thought to foster innovation [4]. In addition, the organizational mission plays a fundamental role in shaping innovation processes within nonprofits. McDonald (2007) shows that a well-defined and compelling mission directs attention to innovations closely aligned with organizational goals, fostering an environment in which such innovations can succeed. This alignment not only improves operational efficiency but also ensures that innovation efforts remain focused on advancing the mission rather than peripheral activities.

Notwithstanding its advantages, innovation in nonprofit organizations is accompanied by notable challenges, including limited resources and resistance to organizational change [26-28]. The increasing emphasis on market-oriented approaches has also raised concerns regarding mission drift; however, evidence indicates that maintaining a balance between financial sustainability and mission commitment can support enduring innovation [2, 29, 30]. Moreover, external forces such as heightened competition and evolving funding landscapes often push nonprofits to adopt more business-oriented practices, which, in many cases, accelerate innovation [17].

In the post-pandemic context, many of these established pathways to innovation for NPOs have been disrupted by rapid and unforeseen changes. Economic instability, evolving donor expectations, and operational interruptions compelled NPOs to respond quickly or risk shutting down [31] demonstrate that both the cultural and structural foundations of numerous NPOs were significantly reshaped as leaders worked to sustain service delivery under constrained resources. In a similar vein, [32] show that although governmental support measures offered short-term assistance, the long-term financial prospects of many NPOs remained uncertain, creating an urgent demand for new revenue models and operational approaches. Amid these transformations, NPOs were not only required to maintain their activities but were also in greater demand than ever [13, 33] further notes that nonprofit leaders were compelled to reassess their missions and stakeholder engagement approaches due to restrictions on in-person interactions, thereby accelerating the transition to digital or hybrid service delivery models.

Despite these profound disruptions, there remains a limited understanding of how NPOs learn from and adjust to such large-scale environmental changes in the aftermath of the pandemic. Without clearer insights into how crisis-induced innovations have been initiated and implemented, the nonprofit sector risks overlooking opportunities to strengthen resilience and adaptability, ultimately limiting its capacity to enhance social impact. Given the scarcity of research in this area, this study seeks to shed light on these issues through the exploratory investigation outlined below.

Materials and Methods

An exploratory qualitative design was employed, involving interviews with senior nonprofit executives in the Northeastern United States to obtain detailed accounts of complex issues [34] and to better understand participants' viewpoints and lived experiences. Before conducting the formal interviews, a focus group consisting of three experienced nonprofit professionals was organized to refine the interview instrument. This group included a vice president of operations at a community foundation, an NPO consultant, and a long-serving director of a large nonprofit organization. During this session, participants were provided with a summary of the proposed study and draft interview questions, and were invited to offer feedback. Their input helped shape the study's scope, clarify and enhance the relevance of the questions, and improve the overall focus and wording.

Following this step, the interview protocol was finalized, and 10 comprehensive, semi-structured interviews were carried out online between June and July 2024. At the outset of each session, participants were assured of confidentiality and then asked to share demographic details. They were subsequently invited to respond to the following questions:

(1) What major challenges has your organization encountered since the pandemic, and how has it responded to these challenges? (2) Following the COVID pandemic, did your organization implement any innovations? If so, what new programs, services, or changes were introduced? (3) How would you characterize your competitive environment, and have there been notable changes in it since the pandemic? All interviews were conducted via Zoom. With participants' consent, each session was recorded and later transcribed. A combination of convenience and snowball sampling techniques was used to recruit knowledgeable NPO executives with broad organizational perspectives. Details regarding participant demographics and organizational characteristics are presented in **Table 1**.

Two members of the research team systematically reviewed all Zoom-generated transcripts and cross-checked them against the audio recordings. Minor edits—primarily the removal of repetitions and filler expressions—were applied. Subsequently, both researchers conducted a thematic analysis using NVivo 14 to code the interview data. Given the exploratory nature of the study, a grounded theory approach [35] was adopted to fully capture participants' insights without being constrained by pre-existing theoretical frameworks. From the data, first-order concepts [36] were identified based on reported practices and examples (e.g., shifts in client base, financial instability, partnerships with for-profit entities, participatory decision-making, deliberate strategic planning, etc.). Through iterative discussions between the two researchers, second-order categories were progressively developed, enabling comparisons of coding decisions and resolving inconsistencies. These categories were then synthesized into broader themes that reflected shared patterns across the data. To ensure rigor and credibility, both researchers collaboratively reviewed and verified the coding outcomes for all interviews. **Figure 1** illustrates the resulting concepts and thematic structure derived from the content analysis. The following sections present a summary of the principal findings.

Table 1. Participant demographic and NPO information

ID	Age group (years)	Gender	Education	Ethnicity	Tenure at NPO (in years)	Category of service
1	55–64	Woman	Master's	White	26	Museum; cultural and artistic services
2	45–54	Woman	Master's	White	5	Health and human services
3	55–64	Woman	Master's	White	19	Food provision and services (homeless shelter)
4	55–64	Man	Master's	White	18	Arts, culture, and humanities
5	44–54	Woman	Master's	White	2.75	Behavioral health services
6	55–64	Man	Master's	White	5	Mental health care and addiction recovery services

7	55–64	Woman	Master's	White	1.5	Museum sector
8	55–64	Man	Master's	White	6.5	Services for individuals with disabilities (social services and social enterprises)
9	55–64	Man	Master's	White	8p	Veterans support, housing/homelessness, food insecurity (basic needs; health and human services)
10	65 and above	Woman	Master's	White	17	Services for victims of domestic violence and sexual assault

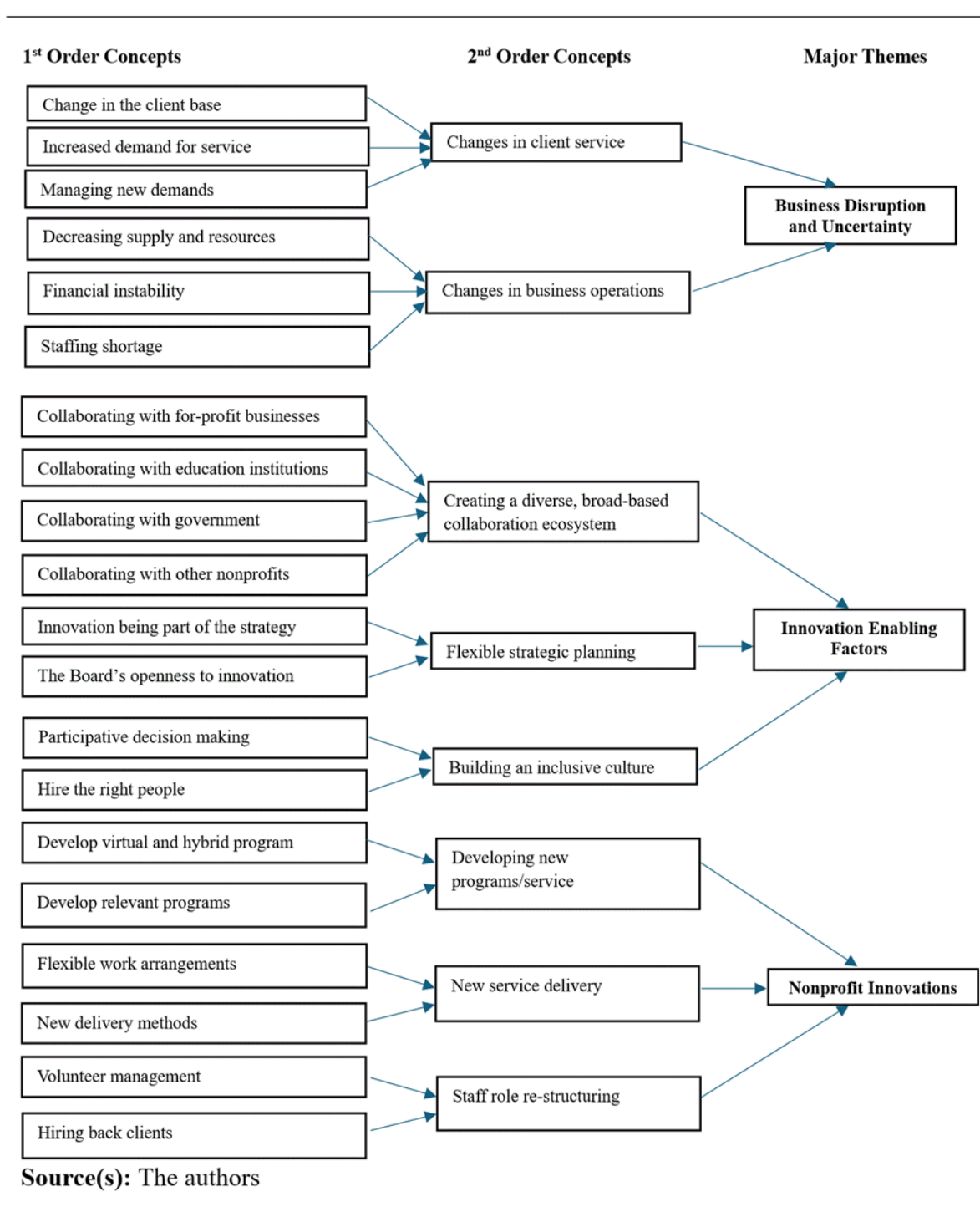


Figure 1. Concepts and themes of the content analysis

Results and Discussion

Challenges facing NPOs

All 10 executives participating in this study reported that their organizations encountered substantial, multifaceted challenges in the period following the pandemic. These challenges introduced considerable disruption and uncertainty into their

operations. Furthermore, these issues were consistently observed across all 10 organizations. They represented key barriers that NPOs needed to address to sustain operations while continuing to innovate and fulfill their social missions amid ongoing external pressures. Analysis of the interview data revealed two overarching themes related to these challenges: (1) shifts in client service and (2) changes in organizational operations.

Changes in client service. Participants indicated that transformations in client service involved

(1) shifts in the composition of the client base, (2) heightened demand for services, and (3) reductions in available resources and supply. Although resource constraints have always been a persistent issue for NPOs, the pandemic intensified this challenge significantly. Despite declining resources across all organizations studied, executives emphasized that expectations for service delivery from the communities they served remained unchanged. They further noted that the pandemic led not only to increased demand for new or expanded services—such as affordable housing and youth mental health support—but also to a rise in the overall number of individuals requiring assistance. For instance, two executives shared the following accounts:

“In 2023 we supported around 1,200 individuals ... approximately that number ... but now [in 2024] we are serving close to 2,000.” (Interviewee 2).

“One key observation, beyond food and necessities, is the growing need for support for children who experienced the pandemic in households affected by domestic violence—those who were confined with perpetrators or abusers. This has created a need for additional clinical support groups and similar services ... So we are now considering how to engage with ... the child population over the coming decade.” (Interviewee 10).

“As we monitor national patterns ... there has been an expansion in integrated service models that combine responses to domestic and sexual violence with children’s advocacy centers. These approaches involve collaboration with nonprofit partners across regions, cities, and towns nationwide. We engage stakeholders such as law enforcement, mental health professionals, and employment support services ... Currently, we collaborate with 22 distinct partners, ensuring that we complement rather than duplicate the valuable services they provide.” (Interviewee 10).

Changes in business operations. All nonprofit executives indicated that their organizations experienced significant modifications to established operational practices, internal policies, and procedural frameworks in the post-pandemic period. Across the sample, NPOs faced highly unpredictable conditions following the global pandemic. Key uncertainties included whether financial stability could be maintained, whether qualified personnel could be recruited and retained with existing resources, and whether growing demand from individuals and families could be adequately met, given already strained capacities. Collectively, these concerns contributed to heightened operational instability across the organizations. For example,

“People were anxious about their families ... so I essentially pressed pause on initiatives so everyone could stabilize and understand what was going on, not only in terms of business operations but also in terms of what actually sustains a business. What are the people behind the organization experiencing? Focus on taking care of yourselves. This required close coordination with several board members to ensure we were making the right calculations. In many ways, you wish you had a crystal ball to accurately predict the future. My responsibility was the livelihood of my employees—to ensure they were prioritized and not fearful of losing their roles, which ultimately also protected the museum itself.” (Interviewee 4).

Additionally, five out of ten participants identified financial instability as a core challenge affecting their organizations. In the post-pandemic period, several funding streams either significantly decreased or disappeared entirely, even as client needs continued to expand. For instance,

“Looking beyond 2025 ... one major national concern is the withdrawal of Violence Against Crime Act funding that previously supported agencies working with domestic violence victims, law enforcement, and related service providers who depended on those funds. This will likely compel many nonprofits to reassess their financial sustainability ...” (Interviewee 10).

“At present, our most pressing issue is financial. We were not included in the state budget.” (Interviewee 9).

Consistent with what has been described in the literature as a “double hit,” interviewees noted that while resources and supplies diminished, expectations for service delivery increased. The leader of a homeless services organization stated:

“There was a surge of people relocating from New York, purchasing homes [in Connecticut], and rental units became scarce. We had clients arriving with housing vouchers ... but we were unable to use them because landlords refused to accept vouchers.” (Interviewee 2).

Staffing shortages were also widely reported, as the nonprofit sector experienced substantial shifts during and after the pandemic, driven by changing personal priorities, evolving perspectives on work–life balance, and increased demand for flexible work arrangements. One executive explained:

“The most significant challenge was employee turnover ... After the pandemic, staff priorities and views on work-life balance shifted considerably. As a result, several employees retired early, others transitioned to different jobs, and some left the workforce entirely. This created major recruitment difficulties for the organization.” (Interviewee 4).

Another executive reinforced this concern:

“One of the biggest ongoing issues is workforce-related. We have really struggled to recruit and retain qualified personnel. The pandemic normalized working from home for many individuals, making it challenging to bring staff back on-site. At the same time, we try to remain flexible, especially since many organizations now allow remote work.” (Interviewee 5).

Innovation enabling factors

The study further identified three key factors that facilitated innovation within participating nonprofit organizations: (1) the development of a diverse and wide-ranging collaboration ecosystem, (2) adaptive and flexible strategic planning, and (3) the cultivation of an inclusive organizational culture.

Building a diverse, broad-based collaboration ecosystem. All interviewees emphasized the importance of establishing extensive collaborative ecosystems involving a variety of stakeholders, including other nonprofits, private-sector actors, academic institutions, and public agencies, to support organizational sustainability and foster ongoing innovation. Findings indicate that within the nonprofit sector, such ecosystems enable the pooling, sharing, and recombination of complementary resources in innovative ways to address emerging needs, while also expanding the reach and impact of services.

“... collaboration is deeply embedded in how we operate ... I strongly believe in working collectively. Organizations like ours can also show funders and supporters, whether government bodies or individual donors, how their contributions can have a multiplied impact and generate greater value for the community ... It amplifies both communication and the number of people served, which is why we engage with a wide range of partners.” (Interviewee 4).

“I do not believe in rivalry. I believe in working together ... we should not be fighting over a small share of resources ... instead, we should expand the overall pool ... I am committed to extending our services across the state ... we already have complementary services in place, so rather than viewing other nonprofits as competitors, I reach out to their leaders to explore partnerships because there are multiple pathways to recovery for individuals.” (Interviewee 5).

“... we deliberately avoid duplicating the work of others. Instead, we maintain formal agreements to collaborate ... we hold monthly meetings to discuss emerging trends and identify opportunities for deeper cooperation, rather than replicating services across the same communities. This approach has allowed us to pool resources more effectively, move beyond organizational silos, jointly pursue funding opportunities, and work in a more coordinated and collaborative manner.” (Interviewee 10).

Most participants also noted that the COVID-19 pandemic underscored the need for collaborative innovation, compelling nonprofit organizations to move beyond isolated operations and work together to navigate the crisis effectively.

“... COVID brought together state-wide organizations that would not typically have come into regular contact or developed sustained relationships, and we collectively experienced a shared sense of urgency ... this evolved into something closer to an ecosystem than a conventional network. It became an ecosystem of aligned institutions exchanging challenges and co-developing solutions. This strengthened mutual connections, and we came to know one another well.” (Interviewee 1).

“... there is now a strong awareness of our interdependence and of the idea that we are all essential to one another, reflecting the saying that a rising tide lifts all boats. I have heard this expression repeatedly since the pandemic, whereas I hardly recall hearing it before. Organizations are now engaging with each other in more collaborative ways than ever before, and I hope this continues.” (Interviewee 7).

Flexible strategic planning.

Approximately seven out of ten executives emphasized the significance of having a strong, continuously updated, and adaptable strategic plan to support innovation aligned with their organization’s mission and strategic priorities. All participants noted that strategic planning enabled their organizations to make deliberate choices about how and where to secure resources necessary for priority initiatives. For instance, one executive described how strategic planning facilitated resource optimization by collaborating with local partners to deliver essential youth-focused programs focused on healthy relationships and inclusion.

“We know that one area towns often reduce funding for—because resources are always limited—is programming around healthy relationships for children in elementary, middle, and high school. Therefore, bringing together the superintendents and leadership from six municipalities was essential. Using our strategic plan as a guide, this became a central area of collaboration with schools alongside our existing model.” (Interviewee 10).

Additionally, one executive highlighted the importance of maintaining strategic plans that remain flexible and responsive, enabling organizations to adjust to disruptions and pursue innovation without being constrained by rigid objectives in a rapidly changing post-COVID environment. Rather than defining narrow targets, strategic frameworks were designed to provide overall direction while preserving adaptability and responsiveness in operations during uncertainty. Participants also noted the significance of boards being receptive to innovation in supporting new initiatives.

“Clearly, the pandemic disrupted our strategic planning process ... When we conduct strategic planning, we intentionally keep it flexible and innovation-oriented. We prefer to think of it as a strategic framework rather than a fixed plan that specifies

A, B, C, and then D. Instead, we establish broad goals and outline general steps to reach them ... This allows us to remain focused on our strategic priorities while staying agile and adaptable.” (Interviewee 4).

Building an inclusive culture.

Approximately nine out of ten executives highlighted the importance of fostering an inclusive organizational culture grounded in participatory decision-making that incorporates input from employees, volunteers, clients, and other relevant stakeholders. Two executives specifically emphasized how such inclusive cultures support bottom-up idea generation and organization-wide innovation. For example,

“I actively engage with staff and regularly ask them what clients are expressing. This week, I even held ‘Lunch and Learn’ sessions with clients to understand their experiences—what concerns they have, what frustrates them, and where we may be succeeding or falling short. Staff are often the best source of ideas because they work directly with clients and understand their needs. I am very open to and actively encourage staff to propose new ideas.” (Interviewee 2).

“In our organization, innovation is deeply embedded in the culture. Every employee, regardless of position, is encouraged to contribute ideas about how we can improve, what new programs we could develop, and how we might reach audiences we are not currently serving. We also hold annual deep-dive planning sessions where all staff—from administrative staff to educators—are invited to share their perspectives on how to better achieve our mission. This creates a strong bottom-up flow of ideas.” (Interviewee 4).

One executive also emphasized the importance of recruiting personnel who align with and strengthen the organization’s innovative orientation and its capacity to respond to evolving community needs.

“We are intentionally building a culture of innovation and actively seeking individuals who want to be part of something new and evolving ... we recently hired a sales and marketing professional who is completely new to our organization ... she is Latina, which is especially meaningful because our workforce previously had no representation from Hispanic backgrounds, even though this reflects our local community. She is also Dominican, which is significant given our neighborhood demographics.” (Interviewee 1).

NPO innovation

In response to the previously identified challenges, all ten executives emphasized the essential role of innovation in addressing these difficulties and in maintaining or expanding program delivery and service provision to support their social missions in the post-pandemic period. These innovation-driven responses were organized into three main categories: (1) development of new programs, (2) adoption of new service delivery approaches aligned with evolving client preferences, and (3) restructuring of staff roles.

New program/service development.

All ten executives provided examples of newly developed programs designed to address pandemic-related challenges, expand existing services, or meet the needs of emerging client groups. A key development across all organizations was the adoption of digital technologies during the pandemic, which were leveraged to design virtual programs to maintain service relevance, expand client reach, and improve operational effectiveness. For instance, an executive leading a cultural and arts museum described how digital content and online initiatives were introduced to ensure continued mission delivery during and after the pandemic:

“A way to stay relevant ... we realized this was the moment to shift and begin producing YouTube-based educational content that we could distribute widely ... After stabilizing our financial situation over a couple of months, we were able to secure grants to bring in digital specialists to launch a YouTube channel. We continue to upload content weekly ... The program has not only been successful and sustainable but has also received awards ... It now serves as a key platform for our social media presence. It keeps us visible within the educational space. That was one of the unexpected positive outcomes of COVID!” (Interviewee 1).

In a similar vein, an executive managing a homeless shelter explained how virtual service delivery enhanced organizational capacity and accessibility for clients:

“We started rethinking how services could be delivered differently, especially offering virtual formats for services that were previously only in-person. This included workshops and training sessions for clients. Before COVID, everything had to be delivered on-site. Now we have developed virtual alternatives, which have significantly expanded our ability to collaborate with partners who are not geographically close or unable to send staff physically.” (Interviewee 3).

Another executive discussed how hybrid service models not only sustained program delivery but also significantly extended access to individuals who would otherwise have been excluded:

“The State observed that even now we continue to run some hybrid programming ... We applied the same model to behavioral health treatment groups. Telehealth has been especially valuable in offering flexibility, particularly for individuals without

transportation, those who would need to take multiple buses to reach us, or caregivers who cannot leave their children ... The pandemic really forced us to think more creatively and better understand client needs.” (Interviewee 5).

Beyond virtual and hybrid services, executives also highlighted the creation of new programs to support emerging client needs and address the long-term social consequences of the pandemic.

“We expanded and strengthened our youth programs significantly, which is quite distinctive ... every week, we have added more activities for children affected by trauma, including domestic violence, sexual violence, and emotional distress. Some have also experienced the loss of family members due to the pandemic. We are addressing not only COVID-related grief but also the rise in domestic violence and related trauma. As a result, we have tripled the number of children we now serve in the community.” (Interviewee 10).

Similarly, one executive described the development of an innovative reintegration program for formerly incarcerated women: “We are working toward securing state funding for a program designed for women leaving incarceration. They receive case management and peer support groups, providing a safe space in our facility where they can build connections and receive assistance with basic needs. The goal is to provide a stable starting point so they can avoid returning to the circumstances that previously led to incarceration. It is a highly innovative initiative.” (Interviewee 5).

In addition, one executive explained how a new mental health initiative emerged in response to the growing recognition of psychological distress following the pandemic:

“If there was any positive outcome from COVID, it was that it helped reduce stigma around mental health challenges ... We launched a program in partnership with a local hospital after the pandemic to screen individuals in primary care for COVID-related psychological impacts. Patients reporting depression or anxiety were immediately connected with embedded mental health professionals within the primary care setting, allowing real-time intervention. This program has grown significantly—from one therapist initially to eight—and is now expanding into additional communities and primary care settings.” (Interviewee 6).

An executive explained how their museum of culture and history maintained relevance by redefining its vision and adopting a more contemporary operating model to better serve the surrounding community.

“... I believe our key innovation was recognizing that communities need spaces for civic participation, right? ... We began addressing a wide spectrum of socially sensitive topics through exhibitions and programs designed to help the public understand historical context and current issues ... I think our most significant innovation was repositioning the institution as a hub for community dialogue and civic participation. History remains part of our identity, but our focus has expanded to include the community’s present and future as well. We now actively bring people together to collectively discuss the community’s direction going forward.” (Interviewee 4).

New ways of delivering service.

In situations where core services and client populations remained largely unchanged, participants described the introduction of revised procedures and more innovative delivery methods designed to align with shifting expectations of both staff and clients. One executive provided an example from a food pantry, explaining how changes in service delivery improved client dignity and experience:

“Previously, all food items were stored on shelves, and staff would pack bags that were then distributed at the homeless shelter downstairs, where people would come to collect them. We realized that individuals did not want to access food in a shelter setting ... A new design included a separate entrance upstairs. We also learned that people preferred to select their own groceries, so we created a supermarket-style experience where clients can shop independently ... We are currently piloting this model at a new site and have more than doubled the number of people served because the approach has been so well received.” (Interviewee 2).

Similarly, another executive described adjustments in substance use treatment delivery in response to changing client preferences:

“Clients traditionally had to visit the clinic regularly, but during COVID, we were fortunate that federal authorities through the Substance Abuse Treatment Center relaxed the regulations, allowing greater flexibility. Patients no longer needed to attend daily; instead, they could receive take-home medication for up to 30 days, or 14 days for those requiring closer monitoring ... These take-home options were a relatively new development, and we continuously adapted our approach to respond to rapidly changing conditions and client needs.” (Interviewee 6).

In addition, three participants noted that new organizational policies, particularly those supporting remote and flexible work arrangements, were introduced to address workforce shortages and ensure continuity of service delivery. For example,

“It has become extremely difficult to recruit qualified staff, and while the pandemic accustomed many people to working from home, we have faced challenges bringing employees back on-site. As a result, we strive to remain flexible, especially since many organizations now offer remote work options ...” (Interviewee 5).

Innovation in role restructuring and expansion.

Findings also indicated that innovation in redefining staff, volunteer, and stakeholder roles was essential for ensuring organizational sustainability and ongoing development. Executives highlighted examples related to volunteer engagement and evolving recruitment strategies. In one case, the responsibilities of volunteers were expanded to include more active participation in areas such as fundraising and public-facing leadership, previously handled by senior staff or board members. Another executive described efforts to recruit individuals with lived experience, including placing some in senior leadership positions, as a key innovation in workforce development.

“One innovative practice for us ... has been intentionally developing volunteers so they can take on more leadership responsibilities both inside the organization and in public-facing roles. These individuals are not board members. For example, we have a woman who has volunteered in our food bank for 15 to 20 years and has consistently taken on additional responsibilities. She is now representing us at fundraising events ... this is new for our organization, allowing volunteers who are not board members to act as ambassadors in the community, which has strengthened engagement and deepened relationships.” (Interviewee 3).

“Of course, we also promote and transfer staff internally, but we place strong emphasis on recruiting individuals with lived experience, and some of them are placed in senior leadership roles ... We also hold the designation of a recovery-friendly workplace.” (Interviewee 6).

Prior research on nonprofit organizations (NPOs) has established innovation as a key mechanism for addressing social problems and supporting vulnerable communities [2]. The COVID pandemic, however, created exceptional disruptions for the nonprofit sector and significantly altered established routines and strategic planning processes [12]. This qualitative study contributes to this literature by examining how NPOs pursue innovation while adapting to post-pandemic conditions. The findings show that NPOs were confronted, on the one hand, with shifts in their client populations and rising, newly emerging service demands. On the other hand, they experienced heightened uncertainty and operational disruption due to reduced resources, financial instability, and acute workforce shortages. In response, all participating NPOs developed innovative approaches to maintain service delivery and continue advancing their social missions. Key enabling conditions for innovation also emerged, including the development of broad collaborative ecosystems involving multiple partners, adaptive strategic planning practices, and the establishment of inclusive organizational cultures that encourage innovation across all levels. These results contribute to nonprofit research, offer comparisons with established for-profit innovation studies, and provide actionable insights for practice.

First, the findings provide empirical support for the idea that NPOs actively implement innovation in response to post-pandemic pressures. Based on this evidence, a conceptual framework was developed that shows how external shocks, such as the pandemic, generate uncertainty and disruption, thereby increasing the need for innovation. In turn, NPOs respond through adaptive strategic planning, inclusive organizational culture-building, and the formation of wide-ranging collaboration networks. These mechanisms lead to innovative outputs such as digital and hybrid service models, redesigned service delivery methods aligned with evolving client expectations, and workforce innovation through the redesign and expansion of roles. This framework is presented in **Figure 2**.

This model suggests several implications for both research and practice in the nonprofit field. First, innovation emerges as a fundamental survival mechanism for NPOs during crises. Accordingly, innovation should be understood not as an optional enhancement but as an essential organizational capacity that supports resilience and adaptability in the face of external shocks. Second, the findings highlight the central importance of collaborative ecosystems. Inter-organizational cooperation provides critical access to knowledge and resources [37], which are essential for innovation. While the pandemic initially appeared to encourage social isolation and limited interaction beyond household units [13], the results indicate the opposite: external disruption prompted organizations to expand beyond their boundaries, share resources, and collectively generate knowledge to address increased community needs.

The emphasis on inclusive organizational culture further underscores the importance of bottom-up innovation processes in nonprofits, where contributions from employees at all levels shape organizational change. This points to the need for future studies to investigate the mechanisms and leadership styles that enable collaborative innovation both within individual NPOs and across organizational networks, particularly under conditions of limited resources and crisis pressure. Moreover, policymakers and funding bodies should consider expanding support beyond financial assistance to include initiatives that promote cross-sector collaboration and organizational capacity building, thereby strengthening collective innovation potential. The study also reveals important distinctions between innovation in NPOs and for-profit organizations. NPOs introduced new programs and services to address emerging needs, resembling product and process innovation in for-profits responding to market demands [38]. However, categorizing innovation as incremental or radical is more difficult in nonprofit contexts, where social impact plays a central role, underscoring the need for further investigation. In contrast to for-profits, where restructuring roles often focuses on efficiency and cost reduction, NPOs redesign roles to enhance mission impact, including expanding volunteer responsibilities or re-integrating former beneficiaries into service roles. Similarly, while strategic

leadership in both sectors emphasizes vision, planning, and cultural development that encourage creativity [39], NPOs place greater emphasis on inclusive participation and shared responsibility for innovation outcomes.

Another key difference lies in collaboration patterns. NPO innovation depends heavily on partnerships with a wide range of stakeholders—including other nonprofits, private companies, and public institutions—centered on co-creation and shared resource use. This contrasts with for-profit organizations, where alliances are more often shaped by competitive positioning and strategic advantage [40]. Finally, motivations for innovation differ fundamentally: for-profit firms innovate primarily to improve competitiveness and financial performance, whereas NPOs innovate in response to external constraints such as funding reductions and shifting societal needs, with the primary goal of fulfilling their mission and expanding social impact. Collectively, these differences suggest that innovation in the nonprofit sector represents a distinct paradigm that requires a dedicated theoretical framework to explain better and support its processes. The findings of this study suggest several implications for both nonprofit management and policy design aimed at fostering innovation. First, the results indicate that innovation in NPOs is fundamentally shaped by mission orientation rather than financial incentives, distinguishing it from for-profit models. Nonprofit leaders should therefore place greater emphasis on reinforcing the organization's mission as a unifying force that aligns stakeholders and stimulates creative thinking and innovation across the organization. Second, the study underscores the importance of strategic planning as a coordinating mechanism for aligning organizational efforts. However, such planning should not be treated as static; rather, it should remain dynamic and responsive to changing internal and external conditions. Communication practices should further support openness, encourage dialogue, and enable joint problem-solving, ensuring that innovation can emerge from all organizational levels rather than being concentrated in leadership roles.

Third, the findings highlight the importance of extending collaboration beyond organizational boundaries. Nonprofit leaders should actively develop and maintain external networks that include diverse actors, such as peer organizations, private-sector entities, and even traditional competitors. These ecosystem-oriented relationships are valuable not only during crises such as the COVID pandemic but also as an ongoing strategy for sustaining innovation, enabling resource sharing, knowledge exchange, and the co-creation of solutions in the post-pandemic environment. Finally, policymakers and funding institutions should more deliberately promote innovation and collaboration within the nonprofit sector. Capacity-building initiatives should focus on strengthening trust, encouraging distributed leadership, and fostering transparent communication practices. In addition, governments and funders should design incentive structures that encourage cross-organizational cooperation in addressing shared social problems. Engagement between nonprofits, policymakers, and other key stakeholders can significantly amplify the social impact of nonprofit initiatives, reinforcing both ecosystem resilience and community well-being.

This study is subject to several limitations. First, the organizations in the sample primarily operate in the human services, behavioral health, and arts sectors; therefore, the findings may not be directly transferable to other nonprofit domains, such as education, environmental advocacy, or broader public interest organizations. Future studies should test and extend these findings across a wider range of nonprofit fields. Second, the sample was drawn using convenience sampling and lacked demographic diversity, with 60% of participants female and all participants identifying as White/Caucasian. At the same time, this reflects patterns observed in the broader nonprofit sector (e.g., the 2021 BoardSource Index of Nonprofit Board Practices reported that 74% of the 820 surveyed board and executive leaders are female and 87% are White/Caucasian/European), future research should prioritize more inclusive sampling strategies that capture a broader range of racial, gender, and socioeconomic perspectives among nonprofit leaders. Third, although qualitative methods were appropriate for this exploratory work, future research could employ mixed-methods or quantitative approaches to examine more clearly how contextual variables influence innovation, or use longitudinal designs to identify causal pathways among key constructs. Lastly, future studies should incorporate a wider set of stakeholders—including frontline staff, volunteers, service recipients, external partners, and board members—to develop a more holistic understanding of how innovation unfolds within nonprofit systems.

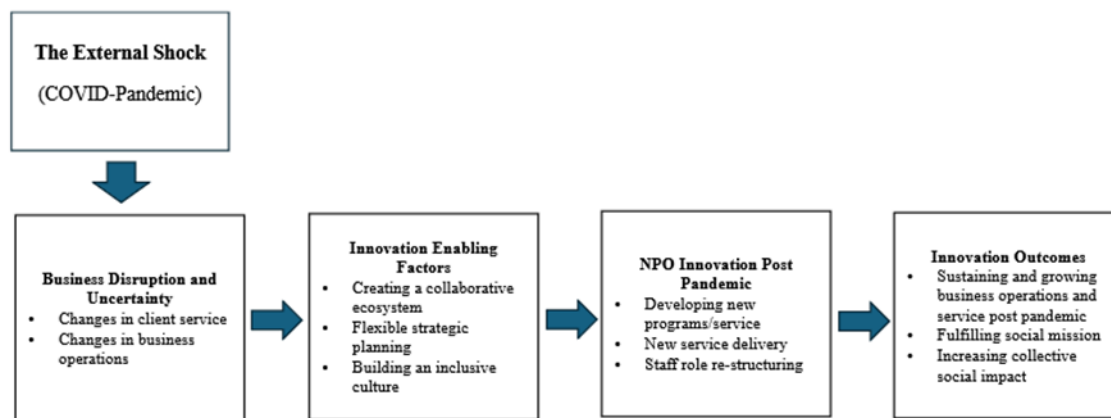


Figure 2. A conceptual model of NPO innovation in the post-pandemic era. The authors

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