Nonprofit organisational resilience: Proposing a conceptual adaptive capacity framework

Orientation: Nonprofit organisations (NPOs) play a key role in resolving the challenges and inequalities prevalent in South Africa; however, turbulent events have led to existential concerns for many NPOs. It is important to understand how NPOs can augment their organisational resilience to mitigate existential concerns.

Research purpose: Organisational resilience literature is in the nascent phase, and it is not yet clear how organisational resilience may be achieved. The objective of this article is to pursue relevant literature and propose an adaptive capacities conceptual framework for NPOs to enhance organisational resilience.

Motivation for the study: A perusal of relevant literature was undertaken to identify the adaptive capacities of NPOs. One hundred and thirty-seven peer-reviewed articles were identified from electronic databases including EBSCO Host, Google Scholar, JSTOR, and Academic Search Complete. A thematic analysis of the literature reviewed resulted in 15 adaptive capacity themes that underwrite the proposed conceptual framework.

Main findings: Nonprofit organisational resilience may be achieved by developing the interconnected adaptive capacities identified within the broad categories that are as follows: culture, leadership and people; tactical administration; and tactical planning and restructuring.

Practical/managerial implications: Barriers to organisational resilience are connected to managers’ beliefs that no benefit is gained from a resilience outlook. The proposed framework could assist to reduce this barrier.

Contribution/value-add: The conceptual model proposed provides a holistic view to enhance nonprofit organisational resilience and contribute to the academic literature on organisational resilience theory, which is in the nascent phase.

Keywords: adaptive capacities; nonprofit organisations; nonprofit resources; nonprofit strategy; organisational resilience; turbulent environment.

Introduction

Nonprofit organisations (NPOs) hold an immensely valuable and advantageous role in most countries, and their capacity to emphatically influence a broad range of societal and economic difficulties is comprehensively recorded (Pape et al. 2020). Several NPOs operating in postcommunist countries such as Armenia and Romania shadow the societies where they were formed. Nonprofit organisation shortcomings shared with other key sectors in these countries include a limited capacity, corruption and a lack of societies’ best interests (Argenti & Saghbalayan 2017). Every country is uniquely subject to its historical background; however, NPO developments seem similar in different countries, including a noticeable confluence in discourses (Argenti & Saghbalayan 2017; Casey 2016).

Nonprofit organisations in South Africa operate against the three-way developmental challenge of unemployment, poverty and inequality, with escalating burdens on the natural ecosystem and the certainties of environmental change. Decades after the peaceful transition from its apartheid regime in 1994, many of the same initial challenges persist; some have become exacerbated, with several more challenges piling on such as infrastructure shortages, insufficient power supplies and rising youth unemployment levels (Meiring, Kannemeyer & Potgieter 2018; Thompson & Wissink 2018). Some of South Africa’s shortcomings are inadequate communication, a lack of
Organisational resilience is often considered a fuzzy theory due to its broad application across several fields (Duchek 2020; Rahi 2019). Defining organisational resilience is challenging as researchers often derive definitions for their unique aspect of the study field, for example, leadership, strategy or human resources (Rahi 2019). However, Duchek (2020:220) explains that ‘organizational resilience is an organization’s ability to anticipate potential threats, to cope effectively with adverse events, and to adapt to changing conditions’. Another key perspective is that organisational resilience is an organisational capability, whereby it is the institutional ability to handle disturbances and unforeseen events with calculated awareness and a connected management of operations for both inner and outer shocks (Annarelli & Nonino 2016).

The impact of COVID-19 has had a varying measure on NPOs considering that they were already confronted with a calamity in three spheres, that is, resources, exigencies and operations. This impact is dependent on local environments and countrywide policy reactions to the pandemic, and academic studies into these abrupt experiences are still evolving (Macmillan 2020). Nonprofit organisations’ existence and reinstatement to their initial state has become doubtful when the proliferation of organisational resilience is abrupt and immoderate. In building organisational resilience, it is important to understand how these entities can augment their organisational resilience to mitigate existential concerns. Organisational resilience especially focuses on an entity’s capacity to weather and adapt to both inner and exterior systemic shocks. Turbulence and uncertainty are ongoing qualities of the environment, present in varying degrees, and they are a central tenet of organisational resilience research (Morais-Storz, Platou & Norheim 2018).

Considering the above, this conceptual framework article explores the understudied adaptive capacities of NPOs from an organisational resilience perspective in a turbulent environment. The presented conceptual framework on the adaptive capacity will assist individual NPOs to enhance organisational resilience by providing a holistic view of the concept.

**Key concepts**

**Organisational resilience**

With increasing environmental intricacies and volatility, the organisational resilience concept is significant for both application and research purposes (Evenseth, Sydnes & Gausdal 2022). However, as organisational resilience theory is in the nascent phase, a key aspect that remains unresolved is how to achieve organisational resilience (Chen, Xie & Liu 2021; Ma, Xiao & Yin 2018). A deeper comprehension of organisational resilience in actuality is required to develop and foster resilience approaches and frameworks that address unsettling events (Klockner 2017).
In addition to decreased resources, NPOs also need to navigate augmented governing restrictions, increased competition and added pressure to remain socially relevant. (Kimberlin, Schwartz & Austin 2011; Witmer & Mellinger 2016). Therefore, NPOs need to develop their adaptive capacity, enabling them to cope well with unforeseen situations and bounce back from calamities (Witmer & Mellinger 2016).

Discussion

Literature review

Organisational resilience is often the outcome of various exchanges and relations between variables (Burnard & Bhamra 2019). The subsequent literature review will accordingly explore the understudied adaptive capacities of NPOs, reflecting on the various exchanges between the adaptive capacities identified. Common themes occurring across the adaptive capacities explored will then be grouped into broad categories to underwrite the proposed conceptual model, supported by the resource-based view of the firm theory (RBV), resource dependency theory (RDT), stakeholder management and organisational resilience theories.

Human resources – Employees and volunteers

Karman (2020) postulates that organisations that own strategic resources, according to the RBV, have key competitive advantages over other institutions, as resources are considered strategic whereby they add value and are rare, challenging to imitate and unique. When stakeholders know that the organisations’ response to a crisis is speedy and truthful considering all involved, the trust and integrity of the organisation increases (De Waal et al. 2019). In an atmosphere of trust, turbulent events can be reviewed explicitly, across different organisational levels, including several stakeholders (Broekema, Van Kleef & Steen 2017). During a crisis, staff’s levels of stress and concern increase. Lower productivity, decreased staff morale and higher absenteeism rates (including employee unrest) are a consequence of this, thereby negatively impacting the NPO (Kaltenbrunner & Reichel 2018; Spillan 2003).

Accentuating the NPOs’ mission and values through human resource practices such as recruitment, induction and training attracts interested candidates and assists with orientation of new employees (Kellner, Townsend & Wilkinson 2017). An effective human resource system, as well as a strong environment and organisational strategy that is equally reinforcing and consistent with the NPO mission can motivate, appeal to and therefore retain quality employees (Kellner et al. 2017).

Volunteers can reduce the costs of project implementation but requires investment in enrolment, teaching and management costs (Manetti et al. 2015). As a key resource to NPOs, volunteers offer their time, expertise and labour that NPOs could not ordinarily afford to leverage (Erks et al. 2020). The capability to recruit and administer volunteers within the parameters of its functional environment is critical to an NPO’s success (Oliveira et al. 2021). Nonprofit organisations rely on volunteers that work both at the director rank (for example, trustees) and at the operative rank (for example, administering daily tasks or serving on committees); consequently, managing unpaid workers at different levels has its own challenges. Thus, there exists a complex yet central relationship between the employees of an NPO and the volunteers who work across different levels (Sneath 2021). Employees and volunteers are considered key to the NPOs’ resilience and are classified under the culture, leadership and people categories. Under the people subcategory, the board is added and discussed under the governance heading.

Culture and leadership

Organisational culture is described as ‘the values, beliefs, and assumptions that are held by members of an organisation and which guide behaviour and facilitate shared meaning’ (Nieminen et al. 2019:5). Organisational culture that promotes resilience and innovation recognises that an adverse event is unpredictable from a timing perspective (Vakilzadeh & Haase 2020). According to Pryce (2021), organisational culture offers a means for producing transformative change and provides a continuous organisational resilience that can confront the unanticipated. Organisational culture is regularly cited in studies relating to organisational resilience but has often been discussed with a focus on specific factors, for example, a culture of innovation (Westley 2013), risk (Vakilzadeh & Haase 2020), collaboration (Pittinsky 2010) and monitoring and evaluation (Bach-Mortensen & Montgomery 2018). However, Pryce (2021) proposed a holistic approach to organisational culture to build organisational resilience. This is possible when organisational resilience is entrenched in underlying values and principles, and operations are incorporated within the multiplexities of the entity to address turbulent events. Along with transformational leadership, a contemporary cogency-based leadership approach such as authentic leadership can be implemented for worthwhile organisational change (Moore 2019). Authentic leadership capabilities can be essential to developing a positive and principled organisational culture (Moore 2019).

Nonprofit organisation leadership is challenged with bolstering the legitimacy of the NPO sector; consequently, the NPO sector must convince a discerning community of their worth to ensure continued support as the sector boundaries become indistinct (Hodges & Howieson 2017). Challenges confronting leadership in NPOs concern managing the fragile balance between productivity, efficiency, purpose and enthusiasm that drive NPOs (McMurray et al. 2010).

The quality of NPO leadership can shape the opportunities and experiences of entire communities (Howieson & Hodges 2014). Effective NPO leaders share the prospects of tactical
thinking and are involved in enlisting volunteers who are well matched to the NPO and level of service (Sneath 2021). Furthermore, NPO leaders can encourage employers to allow their staff to volunteer, thus promoting the NPO across different sectors and recruiting vital resources (Erks et al. 2020). Leadership agility and adaptability in employing various strategies during turbulent times are identified in the literature reviewed as critical skills required (Jackson & Dunn-Jensen 2021). The study by Moore (2019) found self-knowledge, conduct, connectedness and interpersonal openness to be substantial factors of an authentic leadership approach. Furthermore, characteristics such as enthusiasm, self-care, dependability and empathy improved the genuineness of the NPO leader (Moore 2019).

Although several leadership approaches can be utilised by NPO leaders, staff, funders and other stakeholders demand and expect more of NPO leaders necessitating cogency-based leadership (Moore 2019). Cogency leadership is categorised under the leadership, people and culture adaptive capacity, and a resilience-based culture is also included.

**Succession planning**

Performance-related studies on NPO leaders have been limited (Stewart 2016). Underperforming leaders are not necessarily replaced in the NPO sector, as the functioning of the board is inconsistent across entities and individuals (Stewart 2016; Stewart & Diebold 2017). Furthermore, monitoring of the NPO leaders’ performance is challenging as abstract missions frequently offer vague measures for accountability (Stewart & Diebold 2017).

An effective succession plan can reduce environmental reliance and increase organisational performance (Hillman, Withers & Collins 2009). The planned replacement of executives is imperative for all types of entities and could be necessary at any stage of an entity’s life cycle (Li 2019). An uneventful and successful executive changeover underwrites organisational performance, whereas an unsuccessful effort could result in resource shortfalls, identity calamities and power struggles (Farah et al. 2020). Studies on leadership succession planning in the NPO sector have been sporadic over the past three decades but have seen an uptake on the subject in recent years (Li 2019; Yawson 2019).

While both NPOs and for-profits must recruit, retain and grow leaders, NPOs must do so with constrained budgets and limited resources (Yawson 2019). Nonprofit organisation executives are concerned with acquiring resources, maintaining transparency for complex relationships with the board, donors, communities and other stakeholders while ensuring the NPO achieves its mission (Worth 2020). Nonprofit organisation executive leadership succession is significant for both inner and external stakeholders; however, studies conducted in 2013 found that a substantial margin of NPOs were not ready for leadership succession (Santora & Sarros 2013). An executive succession plan enables stakeholder security and comfort, ensuring that the NPO mission will continue with the successor (Yawson 2019). Leadership succession can be a complicated process that involves a smooth transition between leaders, but it also involves how well the replacement appreciates and purposefully responds to situational opportunities and limitations (Stewart 2016).

It is imperative that an NPO is well prepared for a successful leader transition for both a planned and unforeseen departure (Do Adro & Leitão 2020). A significant number of leaders in the NPO sector are ageing, alongside a lack of qualified leaders (Do Adro & Leitão 2020). This challenge is exacerbated when an NPO leader is dismissed and a new appointment necessitates swift action (Li 2019). Nonprofit organisations are faced with elevated expectations from donors that require apparent and effective management. However, Jules (2021) argues that NPO leadership succession planning is not the only method of ensuring the survival of the entity, in contrast to mainstream academic conclusions. A study by Jules (2021) found that not all NPOs appreciated the need for a leadership succession plan and relied on alternative mechanisms such as purchasing the services of an interim leader within budget constraints. Furthermore, engaging in actual planning activities for a successor is dependent on several factors such as NPO capacity, accessibility of resources, investments and organisational culture, which could present as barriers to planning for successors.

Succession planning is a key proactive posture as well as a strategic plan that could play a vital role as an adaptive capacity of NPOs (Vito 2018). Therefore, in the conceptual model, this is included in the tactical planning and restructuring grouping.

**Collaboration and stakeholders**

Several aspects influence organisational resilience concurrently and in diverse and often competing approaches (Andersson et al. 2019). As the NPO sector expands, competition accelerates, causing reason for interorganisational alliances and collaboration. Nonprofit organisation funders have increasingly required collaboration among the NPOs they support (Witesman & Heiss 2017). Obtaining knowledge via collaboration enables operative partnerships to develop, which results in an enhanced organisational capability (Urban & Gaffurini 2017). While there are several obvious benefits to collaboration, it still comes at a cost. Collaboration is viewed by many key NPO actors as a necessity and as a fundamental value of NPOs (Witesman & Heiss 2017). Sustaining good collaborations necessitates investments of time and resources. Cooperating in various collaborations that do not serve as actual partnerships becomes a strain to NPO resources and could result in reduced organisational capacity (Witesman & Heiss 2017).

The RDT emphasises the mutuality of different establishments and their surroundings, and deriving supplies from the outer world is a precondition for existing (Moldavanova & Goerdel 2018). The United Nations is endorsing the enactment of the Sustainable Development Goals via multistakeholder
undertakings, and the ability of NPOs to participate in these multifaceted partner relations is expected to be a routine prerequisite for gaining access to resources (Daniels & Valdés 2021). Nonprofit organisations will be required to coherently articulate a convincing, collaborative value proposition in relation to their mission when engaging in multipartner relationships (Maboya & McKay 2019).

The organisational resilience model developed by Lee et al. (2013) included within the adaptive capacity element the detraction of silos. Internally, silos can develop both from a hierarchical perspective and horizontally across teams and departments (Cilliers & Greyvenstein 2012). Silos do fulfil a purpose, and when individuals feel strongly connected to their units, they can feel contented, work more efficiently and carry more responsibilities. However, silos can also cause individuals to be less efficient when engaging with people from other units and less inclined to make an effort to work well with other teams (Pittinsky 2010). Moving from a silo ethos to a collaborative ethos necessitates prudent forethought, conscientious management and devoted upkeep. Endorsing internal collaboration is most feasible when it becomes a strategic value of the entity; however, it is also imperative to reward and recognise individuals who actually demonstrate collaborative behaviour (De Waal et al. 2019).

The quality and results of effective internal and external collaboration can strengthen an organisation’s overall ability to more effectively deliver on its purpose (De Waal et al. 2019; Gardner 2016; Pittinsky 2010). Internal collaboration is categorised under leadership, people and culture, while external collaboration is linked to tactical planning and restructuring, and stakeholder engagement is linked to the tactical administration grouping.

**Mergers and acquisitions**

The RDT proposes an outwardly focused viewpoint, including three reasons why businesses obtain other businesses (Halebian et al. 2009): firstly, by assimilating an important opponent to diminish competition; secondly, managing interdependency with supplier resources or product buyers by assimilating them; and finally, to diversify productions, subsequently diminishing reliance on businesses with which it interacts (Halebian et al. 2009; Hillman et al. 2009). These may also be classified as vertical integration that occurs among purchasers and vendors; horizontal expansion occurring between opponents; and diversification to add varied activities or products (Malatesta & Smith 2014).

Sometimes, the resources needed by one entity to safeguard survival are carried by other entities and actors. Consequently, it may occur that even officially independent entities might rely on each other for access to key resources, creating strong motivations to form alliances, mergers and explore alternate forms of collaboration among institutions (Moldavanova & Goerdel 2018). From an efficiency perspective, the association of numerous economic organisations indicates that their efficacy is larger than the efficacy of each individual entity (Gabriel & Marian 2017). The merger practice of NPOs is similar to that of the corporate sector. Similarities relate to activity steps and components to be reviewed, such as commonalities, cost savings and other benefits (Gabriel & Marian 2017).

In the NPO sector, mergers arise as a tactic for development and expansion, especially when environmental uncertainty and resource shortages exist (Pietroburgo & Wernet 2010). Motivating factors for mergers in the NPO sector relate to possibilities of stable funding and improved operational efficiencies. Other motivating factors are developing political strength, expansion of the service offering and improved service value (Malatesta & Smith 2014). External stimulus from a significant donor or endorsements from funding bodies can also be considered as a reason for mergers in the NPO environment (Pietroburgo & Wernet 2010). According to Malatesta and Smith (2014), the foremost reason to consider a merger between NPOs is capacity development and improved delivery on the mission.

Mergers between NPOs were viewed as a strategic choice by funders to pool resources and gain access to much needed funding stability to ensure continuity toward their missions (Cooper & Maktoufi 2019). A downside to a merger occurs when one NPO is in a stronger resource and negotiating position than the other NPO. To avoid this downside, NPOs should consider merging and restructuring when they are in a strong position and seek opportunities prior to existential threats (Fischer, Vadapalli & Coulton 2017).

Tactical restructuring is one of the approaches that NPOs can consider to achieve continuity; however, this is often ignored until no further possibilities exist (Krige, Hawarden & Cohen 2019). Tactical restructuring is therefore a key adaptive capacity for NPOs to act at opportunistic times, particularly when competition is high and funding is constrained.

**Programme practices and monitoring and evaluation**

Nonprofit organisation activities, from a project management study perspective, are not only a financial, technological and scientific subject but also a moral subject (Cicmil & O’Laocha 2016). From studies conducted on the NPO project management realm, the bulk has focused on international progress (Lannon & Walsh 2016). Conventional project management practices which are suited to well-defined and measured projects may not constantly suit the requirements of the communities meant to be assisted by the NPOs’ social goals via the project. From a practical perspective, project management can present overheads which are perceived as profligate of constrained resources. Furthermore, it can produce conflicts in cooperative spaces where entities working to shape societal transformation adopt diverse methods (Lannon & Walsh 2016).

As NPOs address the issue of constrained resources to accomplish bold objectives, they explore using managerial practices from the corporate world to build efficiency. Project
management is preferred as it enables the application of knowledge, procedures, talent and practices that improve the probability of accomplishment over a broad array of projects (Anderson & Lannon 2018). The central significance of relations and agency should be positioned with the outcomes-based priorities of project management that are progressively viewed as success factors (Moya-Colorado, León-Bolaños & Yagüe-Blanco 2021).

The transmission and assimilation of knowledge among projects avoids the duplication of past errors from both a project and institutional perspective (Javornick-Will & Levitt 2010). Leveraging the benefits of knowledge assimilation and evolution positively impacts innovation execution, resulting in improved organisational performance (Cho, Lee & Mok 2017). The realisation of improved project outcomes is feasible with the implementation of innovation and aptitude training programmes and opportunities for staff to build their competencies, which was also corroborated by Oun et al.’s (2016) study (Al-Nabae & Sammani 2021).

The majority of funding proposals require an explanation of the monitoring and assessment of the intended project, including the data collection methods, frequency, analysis and interpretation of the funding impact to donors and other stakeholders. The capability to adapt and cultivate improved outcomes is connected to efficient monitoring and evaluation methods (Lindamood et al. 2021). Key enabling components required to implement efficient monitoring and assessments are securing the proper support, an ethos that advocates assessment and the desire to be answerable to parties that hold a stake (Bach-Mortensen & Montgomery 2018).

Monitoring and assessment, when linked with learning and adapting from a community ownership and leadership perspective, improves implementation that is otherwise not possible when a single framework is used (Stelmach et al. 2021). Furthermore, this can create innovative prospects for knowledge-sharing and capacity-building for each stakeholder, and this should be led by the NPO sector rather than NPO donor agencies (Moya-Colorado et al. 2021). Moya-Colorado et al. (2021) recommended that a methodical approach, comprising a shared project management practice, could enhance project management efficiencies regarding project execution and accountability for the NPO sector in general. Therefore, effective programme practices along with monitoring and evaluation and reporting are grouped into tactical administration.

**Governance**

Governance is central to managing internal activities, as well as stakeholder engagement. An entity’s governance is shaped and often structured by key external relationships, which have substantial importance on the developing role of NGOs in the public sector (Kurupp & Lodhia 2019). Financial mismanagement scandals and the exploitation of beneficiaries related to NPOs have diluted public trust and negatively affected the legitimacy of NPOs (Kurupp & Lodhia 2019). In the NPO sector, culpability is regarded as a stakeholder prerequisite to gain access to and secure resources, which can be proved with suitable governance practices and efficient resource use. This is often deemed a measure of control and justification; however, this can also be an opportunity for NPOs to demonstrate proactively their legitimacy, withstand claims and gain further legitimacy (Egholm, Heyse & Mourey 2020).

Together with NPOs, international bodies have created codes of comportment and accountability frameworks to guide improved NPO governance (Dhanani & Connolly 2015). Following a consultative method, the ‘Independent Code of Governance for the NPO sector in South Africa’ was completed in 2012. This method set the tone for the King IV Report which now includes aspects on NPO governance as a subsector focus (Marais 2020). According to the King IV report, some of the benefits of good corporate governance for an NPO are enhanced trustworthiness and reputation, access to funding on improved terms, better deterrence of fraud and the ability to withstand and recover from turbulent situations (Institute of Directors of Southern Africa 2016). Corporate governance impacts the productivity of NPOs, plus their capacity to obtain financing resources (Gazzola et al. 2020).

The main functions of the NPO board are to facilitate interactions reducing resource dependence, to improve the flow and variety of resources through their networks and to exemplify the NPO to outer constituencies (Callen, Klein & Tinkelman 2010). During times of instability, boards play a greater role in sourcing additional resources, whereas there is less fund raising activity during stable conditions (Callen et al. 2010). Nonprofit organisation executives regularly deal with disengaged, depleted, power-hungry and manipulating board members (Do Adro & Leitão 2020). Moreover, NPOs also deal with excessively compliant committee members who provide limited direction to the entity. Another challenge that NPOs can experience is that the required level of skills for board committees may not be available in volunteers; therefore, the strategic planning for turbulent times may be compromised (Ahmed, Baboo & Ayub 2019). Forward planning to build effective boards can assist NPOs to achieve enhanced accountability and compliance; therefore, governance forms another tactical planning and restructuring adaptive capacity.

**Innovation**

Certain facets present in the NPO setup, such as being self-regulating, private and voluntary, make NPOs well positioned to stimulate new ideas and launching new practices (Adro & Fernandes 2021). Innovation can be interpreted as ‘the multi-stage process whereby organizations transform ideas into new/improved products, services or processes, in order to advance, compete and differentiate themselves successfully in their marketplace’ (Baregheh, Rowley & Sambrook 2009:1334). The process of innovation can be facilitated with the inclusion of stakeholder participation (Wehnert et al. 2018).
Nonprofit organisations are regularly encouraged to make investments in innovation as an organisational tenet. However, this remains a key challenge facing NPOs as it is not clear on how to achieve this (Adro & Fernandes 2021). A solution to this may lie with NPO employees. Nonprofit organisation employees often engage on the front lines with low-income earners and local communities where they will have the ability to create pathways for social innovation. In addition to the employees within the sector, the large volume of volunteers who hail from diverse economic sectors are also able to listen to the unmet needs of society in general (TEPSIE 2014). This unique interface that the NPO sector holds enables possible social innovators to be mindful of the untouched assets and capabilities within local communities that can be exploited to design solutions, engage communities and generate expert knowledge (TEPSIE 2014). Engaging employees at all levels could influence an NPO’s culture to become more amenable to innovative habits. An environment that is encouraging of innovation, individual creativity and emotional well-being can improve an entity’s innovative abilities (Do Adro & Leitão 2020).

The process of NPO innovation is reliant on factors such as culture, leadership, internal properties such as control and formalisation, external turbulence and general aspects like size or age of an NPO (Do Adro & Leitão 2020). Studies have revealed that an organisation’s capability to innovate during periods of adversity is crucial for organisational resilience (Vakilzadeh & Haase 2020). During a crisis, innovation by employees could become an appropriate strategy used to overcome adversity (Senbeto & Hon 2020). Turbulent environments often breed opportunities for social innovation and frequently occur when there is a liberation of resources via cultural shift, political change or fiscal crisis (Westley 2013). As the process of NPO innovation is reliant on factors such as culture and leadership, innovation is categorised under the people, leadership and culture adaptive capacity.

Financial practices
Globally, governments are reducing their financial support for social and charitable work, resulting in an increased number of NPOs to fill the gap created by the reduction in government spending (Brown 2019). The subsequent competition resulting from the increased number of NPOs for a limited pool of funding garnered the attention of several academic studies looking into the financial sustainability of NPOs (Ye & Gong 2021). A steady income is vital for NPOs to guarantee their budget plans, including significant costs related to existing activities and staff compensation, underwriting financial activities in the fulfilment of its mission (Polyakov 2021). During the after-effects of the 2008 financial calamity, NPOs met unparalleled trials related to survival (Hu & Kapucu 2017). Similar existential challenges are again experienced by NPOs following the impact of the COVID-19 pandemic (Dayson et al. 2021; Ebhuoma 2022). Reliance on unpredictable donation funding from the general public can compromise an NPO’s realisation of its goals (Su, Nuryyev & Aimable 2014).

Commercial income is produced from trades of supplies and services that an NPO provides and entails the objective of making profit, and this route of making profit or NPO commercialisation can be risky. Studies have highlighted that this can lead to mission drift, where resources are used to make profit rather than serve their beneficiaries, and often involves short-term versus survival decisions (Jones 2007). However, according to Battilana and Lee (2014), improved NPO managerialism skills that can blend both the commercial and social goals could mitigate potential mission drift. These findings were later corroborated by Hersberger Langloh, Stühlinger and Von Schnurbein (2021) who confirmed that a middle-ground exists between the two extreme research camps on managerialism, and therefore NPOs can simultaneously generate profit and deliver on its mission.

Following the influential academic study of Tuckman and Chang (1991), several researchers supported the notion of NPOs diversifying their funding streams to positively affect financial stability and organisational growth (Ye & Gong 2021). However, diversification of income streams may not always be advantageous to all NPOs. A study by Hung and Hager (2019) found that in certain cases this could be harmful and could result in the loss of funding. Research by Chikoto and Neely (2014) established that income concentration results in financial growth and aids the accumulation of financial capacity. Furthermore, they contend that investing in administration and fundraising expenses are beneficial when focused on fewer income sources.

Administrative expenses are reduced during turbulent financial occurrences; though the reduction might be less impactful as the process is not instantaneous (Thomas & Trafford 2013). However, according to Von Schnurbein and Fritz (2017), higher programme expenditure leads to fiscal growth, while administrative outlays reveal no substantial impact on fiscal growth; therefore, exclusively reducing administrative expenses could not enhance fiscal growth. Educating donors on the need for administrative funding is also recommended to change the mindset of traditional philanthropists and to ensure that NPOs remain resilient during turbulent times (Searce & Wang 2020).

Accountability at NPOs varies in form, for example, quantifiable financial releases focusing on numerical accounts of income and expenses or narratives with a qualitative feel (Connolly & Hyndman 2013). Nonprofit organisations have a diverse range of stakeholders, and a key subject of concern is balancing information and accountability expectations and needs of the stakeholders (Rathi, Given & Forcier 2014).

According to Devalkar, Sohoni and Arora (2017), with a minimal amount of preliminary funding, an NPO can produce double the gains of traditional funding by enabling donors to fund projects after reviewing initial results. Potential cross-subsidising of projects could be alleviated with high levels of transparency with the prospective donors, as well as adopting suitable measures of project impact which
will underwrite the donors’ understanding and support of the NPO activities (Arora, Rahmani & Ramachandran 2021). Studies have found a positive correlation to an NPO’s online fame and its financial upshots; therefore, enhancing online prominence should become part of an NPO’s tactical plan to improve their financial accomplishments (Campbell & Lambright 2019; Lee 2021). Financial practices require a significant amount of forward planning and are grouped under tactical planning and restructuring.

**Brand**

Modi and Sahi (2021) found that NPOs adopting a marketing disposition with an emphasis on funders, beneficiaries and partners facilitates NPOs to attract greater resources underwriting financial stability. Nonprofit organisations and businesses form alliances to address social issues, and cause-related marketing (CRM) is predominantly implemented to highlight the alliances. Such strategic alliances expand access to resources for each entity, thus enabling the joint-entity to become more driven (Lin, Yang & Arya 2009).

Nonprofit organisations regularly offer varying project activities and services to different stakeholders, making it difficult to contextualise the NPO’s offerings in a single brand communication, while managing the expectations of multiple stakeholders (Chapleo 2015). Effectively, an NPO has to administer each of these multivalued relations, with a unique influence on performance and ethos, through consideration and delivering on the interchange required by stakeholders (Mitchell & Clark 2019).

A study undertaken by Li and McDougle (2017) found that donors are reliant on information about NPOs to assist them when making altruistic decisions; however, they are also cognisant of trusted sources such as direct interactions with the NPO. An NPO’s inability to proficiently communicate about their social work remains a problematic focal point that is related to funding constraints and the limited number of skilled employees dedicated to marketing (Göttlichová & Soukalova 2015). Further challenges to effective brand building are a lack of budget from an organisational perspective, a dearth of buy-in from leadership and a general dearth of understanding on the need for a brand from NPO stakeholders (Chapleo 2015).

The current rapid expansion of the NPO sector requires NPO leaders to reassess their approaches to the mission and project offerings and to explore innovative means of providing services, particularly during times of financial predicaments (Göttlichová & Soukalova 2015). Nonprofit organisations that embark on rebranding strategies are confronted with integration of their organisational identities between their traditional social objectives and their business orientations (Lee & Bourne 2017). Rebranding to attract donors and diversify income streams is perceived both as over-commercialisation and simultaneously as a pragmatic response to long-term survival. Furthermore, communication with statutory donors is probably more personalised during rebranding activities and less dependent on brand image (Lee & Bourne 2017). The use of a social media strategy can support NPOs to increase revenue and also increases collaboration between employees and other stakeholders (Sun & Asencio 2019). The NPO brand can be considered a tool to attract greater resources and build the reputation of the NPO and is categorised as a tactical administrative adaptive capacity.

**Information and communication technologies**

A vast digital gap exists among the established and developing nations, and information technologies are key to bridging this gap (Ayanso, Cho & Lertwachara 2010). Information and communication technologies can be interpreted as ‘technologies used by people and organizations for their information processing and communication purposes’ (Zhang, Aikman & Sun 2008:628). Information and communication technology has become a contemporary social catalyst improving the lives of communities, and for NPOs, technology has presented a transformative power (Nicholson, Nugroho & Rangaswamy 2016). Access to the Internet and cellular devices has enabled movements via social media which were significant developments in the NPO sphere (Raman 2016).

Information distribution including an accessible communication standpoint and the use of dashboards with information being available on demand, are important for building effective teams (Raman 2016). Analytics requires significant staff involvement and NPO volunteer enrolment can be enhanced with the use of analytics. Analytics are also important for decision making thereby improving institutional efficiencies. (Liang et al. 2021).

Technology is unsettling old-style NPO funding mechanisms and radically altering societal engagement (Salamon et al. 2012). These shifts or changes create opportunities, present challenges and demand swift adaptation (Petrillo et al. 2018). Nonprofit organisation employee technological appetites and NPO leadership agility are vital determinants of NPOs’ swift adaptation to new technologies (Howson 2021).

Younger individuals are conventionally unlikely to consistently contribute to NPOs and are more prone to using cryptocurrencies as a donation means (Howson 2021; Scearce & Wang 2020). To appeal to this group, fundraising methods are innovative and occurring across numerous means, including blockchain (Christie 2020). To guarantee that funders have evidence of their donations’ impact, NPOs have begun surveillance of cryptocurrencies in poorer communities, including invasive monitoring and assessment techniques. Economically disadvantaged funding recipients are vulnerable to inspection and economic experiments (Howson 2021). Another emergent fundraising avenue is the advent of charitable contributions from spectators of live-streamed gaming such as the Twitch platform (Yoganathan, Osburg & Stevens 2021). Similar to the NPO brand, ICT can be considered a tool to attract greater resources and bolster the
The competitive edge of the NPO and is also categorised a tactical administrative adaptive capacity.

**Ethical considerations**

Ethical clearance to conduct this study was obtained from the University of KwaZulu-Natal Humanities and Social Sciences Research Ethics Committee (HSSREC) (ref. no. HSSREC/00003782/2022).

**Conceptual model**

The conceptual model proposed is depicted in Figure 1 and is based on the adaptive capacities explored in the preceding literature review. The adaptive capacity groups were not standalone topics, and often information related to one aspect could be relative to another grouping. It was found that each of the groupings are interconnected. For example, studies have found a positive correlation to an NPO’s online fame and its financial upshots; therefore, enhancing online prominence should become part of an NPO’s tactical plan to improve their financial accomplishments (Campbell & Lambright 2019; Lee 2021). A strong brand can assist NPOs to raise funds during turbulent times and ensure that it can influence other resources such as workforce and rallying masses into action when required (Mitchell & Clark 2019). Social media has enabled NPOs to reach a large volume of individuals, and the opportunities to raise awareness are both simultaneously seamless and challenging (Lee 2021; Moon, Lee & Oh 2015). Enhancing NPO leadership impact and employee or volunteer performance is also related to the ICT adaptive capacity. Financial resources were found to be a key determinant for NPOs in relation to long-term survival (Maboya & McKay 2019). The literature review also revealed that innovative fundraising mechanisms can be explored following the turbulent impact of COVID-19 (Yoganathan et al. 2021). Combined with financial resources in an effective method, human resources could also prevent excessive reliance on external funding (Kicová 2020).

The common link among the RDT, RBV, stakeholder management and organisational resilience theories is the focus on resources. Furthermore, these theories entail a broad spectrum of strategic management aspects that can be applied to different organisations at varying degrees of a turbulent environment. Nonprofit organisations need to manage a balance of sourcing resources from the external environment while also reducing the dependence on certain resources, with due regard to how they access and utilise resources in turbulent times.

This conceptual model proposes that NPO resilience may be achieved by developing the interconnected adaptive capacities identified within the broad categories, namely culture, leadership and people; tactical administration; and tactical planning and restructuring. Barriers to organisational resilience are connected to managers’ beliefs that no benefit is gained from a resilience outlook as it involves unnecessary administrative measures (Vakilzadeh & Haase 2020). Consequently, this conceptual model could assist to reduce this organisational resilience barrier by demonstrating the interconnectedness and importance of tactical administration to the NPO. This conceptual model will also contribute to the academic literature on organisational resilience theory, which is in the nascent phase (Ma et al. 2018).

**Conclusion and recommendation**

Nonprofit organisations are forced to adapt to augmented competition and an unending demand for additional accountability (Pape et al. 2020). From the brief theoretical arguments, it became evident that enhancing organisational resilience is important for NPOs and that clarity in this regard is vital to address existential concerns. Organisational resilience is often the outcome of various exchanges and relations between variables (Burnard & Bhamra 2019). The literature alludes to the interconnectedness of each of the adaptive capacities identified; however, no organisational

---

**FIGURE 1:** Nonprofit organisations adaptive capacities framework.
resilience adaptive capacity model was noted for NPOs. Consequently, as the objective of this article was to develop a conceptual model, Figure 1 was developed. Nonprofit organisations differ immensely in terms of size, competencies, impact and purpose; nonetheless, at its core, each NPO has a distinct purpose to benefit its constituencies (Skhosana 2020). Hence, this conceptual model is intended to provide diverse and unique NPOs with a holistic view of their individual organisations and a means to enhance organisational resilience within their historical background; it is not intended to be generalisable to the NPO sector.

In some countries, NPOs flourish due to supportive legislations and other dynamics (Pape et al. 2020). Further research is recommended to explore cross-cultural dynamics that could assist NPOs to navigate turbulent events and reduce NPO existential concerns. There are limited academic studies focusing on the NPO sector in South Africa (Choto et al. 2020). Therefore, studies focusing on South Africa’s NPO sector and its contribution to the SDGs are also recommended.

Acknowledgements

Competing interests

The authors declares that they have no financial or personal relationships that may have inappropriately influenced them in writing this article.

Authors’ contributions

S.S. was responsible for the conceptualisation, methodology, resources, writing the article, sourcing funding to publish the article, drafting and reviewing and editing the journal article which is derived from the literature review chapters of S.S. PhD thesis. A.M. and O.T. contributed to the article in their capacities as S.S. supervisors and contributed toward the supervision aspect of the article.

Funding information

This research received no specific grant from any funding agency in the public, commercial or not-for-profit sectors.

Data availability

Data sharing is not applicable to this article, as no new data were created. Consult the article’s comprehensive reference list for further guidance.

Disclaimer

The views and opinions expressed in this article are those of the author and do not necessarily reflect the official policy or position of any affiliated agency of the author.

References


http://www.actacommerciill.co.za

Open Access


