

ENTREPRENEURIAL ORIENTATION IN POLISH NON-PROFIT ORGANIZATIONS: BALANCING INNOVATION AND MISSION-DRIVEN PERFORMANCE

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Purpose: This study examines the role of Entrepreneurial Orientation (EO) in Polish non-profit organizations (NPOs), focusing on how EO is implemented within a mission-driven framework, its impact on financial and social performance, and the organizational mechanisms mediating this relationship.

Design/methodology/approach: The study adopts a qualitative multiple-case-study approach, analyzing data from ten NPOs operating in the Greater Poland region (Poland). Data collection involved semi-structured interviews, observations, document analysis, and was supported by questionnaire with open-ended questions. Thematic coding was employed to identify patterns in EO adoption and its performance implications.

Findings: The findings reveal that EO in NPOs is primarily externally induced, driven by donor expectations, funding environments, and institutional pressures rather than proactive strategic intent. EO exhibits a stronger positive impact on social performance (e.g., mission achievement, stakeholder engagement) than financial performance. Additionally, mission alignment and professionalization emerge as critical mediators, enhancing EO's effectiveness in achieving social outcomes while mitigating financial instability.

Research implications: This study contributes to EO theory by challenging traditional assumptions that EO is an inherent strategic posture. Instead, it conceptualizes EO in NPOs as an adaptive response to external pressures. The findings also extend research on institutional constraints by identifying key organizational mechanisms that shape EO effectiveness in mission-driven contexts.

Practical implications: The study highlights the need for NPO managers to integrate EO with mission-driven strategies, strengthen governance and professionalization, and develop hybrid funding models. Policymakers and funders should consider providing more flexible financial support structures to encourage sustainable entrepreneurial initiatives in the non-profit sector.

Originality/value: This study provides new insights into EO in NPOs, particularly in a post-transition economy. By differentiating EO's impact on financial and social performance and identifying organizational mechanisms that enhance EO effectiveness, it advances both theoretical and practical understanding of entrepreneurial behavior in non-profits.

Keywords: Entrepreneurial Orientation, Non-Profit Organizations, Social Performance, Financial Performance, Mission Alignment.

Category of the paper: research paper.

1. Introduction

In recent years, the role of entrepreneurial activity within non-profit organizations (NPOs) has gained increasing scholarly and practical attention (Saebi et al., 2019; Nicolas et al., 2018). Entrepreneurial Orientation (EO), a concept traditionally associated with for-profit enterprises, has been recognized as a crucial factor in shaping the strategic behavior of NPOs, particularly in environments characterized by resource constraints and institutional complexity (Alarifi et al., 2019; Erpf et al., 2019). Social enterprises and other mission-driven organizations increasingly adopt entrepreneurial practices to enhance financial sustainability, service delivery, and social impact (Saebi et al., 2019). Despite this growing interest, the understanding of how EO functions within the non-profit sector, particularly in transition economies such as Poland, remains underexplored (Morris, 2011; Wronka-Pośpiech, 2015; Porzak, Sagan, 2013).

Existing research has primarily examined EO in the context of commercial enterprises, emphasizing its positive relationship with organizational performance (Rauch et al., 2009). However, studies on EO in the non-profit and social enterprise sector suggest that its impact may be contingent on various external and internal factors (Morris et al., 2011; Lumpkin et al., 2013). While institutional factors can shape the broader environment in which NPOs operate, the specific mechanisms through which EO influences performance in mission-driven organizations require further examination. Understanding the extent to which EO contributes to financial and social performance in NPOs, and identifying key organizational mechanisms that mediate this relationship, remains a critical research area.

To address these gaps, this study explores the following research questions:

1. How do Polish NPOs implement Entrepreneurial Orientation (EO) within a mission-driven framework?
2. To what extent does EO influence financial and social performance in Polish NPOs?
3. What organizational mechanisms shape the EO-performance relationship in non-profit settings?

This study aims to contribute to the literature by examining the ways in which EO is implemented in Polish NPOs and its effects on financial and social performance. Additionally, it investigates how certain organizational mechanisms interact with EO to influence performance outcomes.

The paper is structured as follows: The next section provides a theoretical framework, discussing the concept of EO in the non-profit sector and key factors influencing its implementation and impact. This is followed by a description of the research methodology, including the data collection and analysis approach. The findings section presents the results of the study, highlighting key relationships between EO, organizational mechanisms, and performance. Finally, the discussion and conclusion sections reflect on the theoretical and practical implications of the findings, offering recommendations for future research and policy development.

2. Theoretical Framework

Entrepreneurial Orientation (EO) has been widely studied in the context of for-profit organizations, with substantial evidence supporting its positive impact on firm performance (Rauch et al., 2009; Wiklund, Shepherd, 2003). However, its application to non-profit organizations (NPOs) remains relatively underexplored. Given the dual mission of NPOs - balancing financial sustainability with social impact (McMullin, Skelcher, 2018) - the role of EO in this sector may differ from its function in traditional business enterprises. This section outlines the theoretical foundations of EO in NPOs, its expected impact on organizational performance, and the key mechanisms that shape this relationship.

EO is typically defined as a strategic posture characterized by three to five dimensions: innovativeness, proactiveness, risk-taking, and, in some models, autonomy and competitive aggressiveness (Covin, Slevin, 1989; Lumpkin, Dess, 1996; Morris et al., 2011). In the non-profit sector, EO manifests through efforts to develop innovative services, anticipate and respond proactively to stakeholder needs, and engage in calculated risks to enhance social and financial performance (Morris et al., 2011).

Studies suggest that EO can drive both financial and social performance in NPOs (Alarifi et al., 2019; Schmidt et al., 2015). Financial performance refers to an organization's ability to secure and efficiently manage funding, generate revenue through social enterprise activities, and maintain long-term sustainability (Chen, Hsu, 2011). Research indicates that EO fosters financial performance by encouraging innovation in fundraising, diversification of income sources, and entrepreneurial strategies for sustainability (Morris et al., 2011).

Social performance reflects an NPO's effectiveness in achieving its mission, creating social value, and generating meaningful impact for its beneficiaries (Ebrahim, Rangan, 2014). EO enhances social performance by promoting innovative service delivery models, expanding outreach efforts, and strengthening stakeholder engagement (Pearce et al., 2010). However, the extent of these benefits may depend on the internal and external conditions under which EO is exercised.

NPOs operate under dual institutional pressures - they must maintain financial viability while fulfilling their social mission (Austin et al., 2006). Unlike private firms, where EO typically leads to competitive advantage and profitability, NPOs often face resource scarcity, donor dependency, and regulatory constraints, which influence how entrepreneurial strategies are implemented (Foster et al., 2009).

While EO is generally associated with financial growth and competitive advantage in business settings (Rauch et al., 2009), its impact on NPOs is less straightforward. Research suggests that EO may influence performance through two distinct pathways: financial and social performance. As for financial performance some studies argue that EO can improve financial sustainability by diversifying revenue sources, attracting donors, and fostering

financial independence (Saebi et al., 2019). However, empirical findings remain mixed, with some studies indicating that EO does not necessarily translate into higher financial performance in non-profits (Austin et al., 2006). A more consistent finding is that EO enhances an NPO's ability to achieve its social mission by increasing outreach, improving service delivery, and strengthening stakeholder engagement (Saebi et al., 2019; Ebrahim, Rangan, 2014). Social entrepreneurship research suggests that EO helps NPOs develop innovative solutions to social problems, but financial outcomes remain secondary (Desa, Basu, 2013). This dual nature of performance raises the question of which organizational mechanisms mediate the EO-performance relationship in NPOs.

Several studies suggest that NPOs can leverage EO to enhance their adaptability and resilience. For example Desa & Basu (2013) noticed that innovativeness in NPOs is often externally driven by funding requirements rather than intrinsic motivation to create new solutions. What is more, proactiveness in NPOs tends to be short-term and reactive, as many organizations respond to funding cycles rather than develop long-term strategic initiatives (Doherty et al., 2014). Also, risk-taking is often low due to accountability to donors and the need to minimize uncertainty (Morris et al., 2011). However, existing studies provide limited empirical evidence on how EO influences NPO performance, particularly in the context of post-transition economies like Poland.

The relationship between EO and performance in NPOs is not direct; it is shaped by several key organizational and institutional mechanisms including internal and external organizational factor and strategic adaptation mechanisms.

Internal organizational factors are factors such as leadership style, governance structures, and resource availability mediate the EO-performance link. Strong leadership support and mission alignment enhance the effectiveness of EO strategies, while resource constraints may limit their impact (Lumpkin et al., 2013; Morris et al., 2011). While not the primary focus of this study, external institutional factors such as regulatory frameworks, public funding policies, and societal expectations can either facilitate or constrain EO in NPOs. For example, rigid funding structures may limit risk-taking, while supportive policies may encourage innovative solutions (Stephan et al., 2015). NPOs may also develop adaptive strategies, such as cross-sector partnerships or hybrid business models, to maximize the benefits of EO while navigating institutional constraints (McMullin, Skelcher, 2018).

Existing research highlights two key organizational factors that influence how EO impacts NPO performance: mission alignment and professionalism and strategic management. First, organizations that integrate EO while maintaining strong mission focus are more likely to achieve sustainable social impact (Saebi et al., 2019). Conversely, excessive commercial orientation can lead to mission drift, weakening an NPO's credibility (Foster et al., 2009). Second, higher levels of formalization, governance, and managerial competence can enhance EO's effectiveness in NPOs (Austin et al., 2006). Studies show that professionalized NPOs are

better at balancing entrepreneurial risk-taking with accountability requirements (Gmür, Löffel, 2019).

The conceptual framework guiding this study assumes that EO dimensions (innovativeness, proactiveness, risk-taking) affect specific performance outcome (financial performance or social performance) with certain mediating mechanism. The specific framework is presented in the table 1 below.

Table 1.
Conceptual framework

EO Dimension	Mediating Mechanism	Performance Outcome
Innovativeness	Mission alignment	Enhanced social performance
Proactiveness	Professionalism	Strengthened social performance
Risk-taking	Governance structures	Uncertain financial impact

Source: own research.

The theoretical foundation of this study suggests that EO is a critical driver of both financial and social performance in NPOs. However, its effectiveness is contingent on internal organizational dynamics and broader institutional conditions. Understanding these moderating factors allows for a more nuanced interpretation of how EO functions in mission-driven organizations.

This framework provides the foundation for the subsequent empirical analysis, which examines how EO is implemented in Polish NPOs and its impact on performance, considering both organizational and institutional influences.

3. Method: research design, data collection and analysis

This study employs a qualitative, multiple-case-study approach to explore how Entrepreneurial Orientation (EO) manifests in Polish non-profit organizations (NPOs) and how it influences financial and social performance. The case study method is well-suited for investigating complex, context-dependent organizational phenomena (Yin, 2014) and is particularly appropriate given the limited research on EO in the non-profit sector.

A multiple-case-study design allows for cross-case comparison and the identification of common patterns while accounting for organizational diversity (Eisenhardt, 1989). This approach is particularly relevant in post-transition economies such as Poland, where NPOs operate under evolving institutional conditions.

The study examines 10 non-profit organizations operating in the Greater Poland region. The Greater Poland region was chosen due to its well-developed and diverse NPO ecosystem, which includes both urban and rural organizations, varying in scale and mission. The region also reflects national trends in the Polish non-profit sector in terms of funding structures and institutional conditions. While the findings may not be directly transferable to all regions,

they offer valuable insights into NPO behavior in post-transition economies, and the regional focus enhances contextual depth without undermining theoretical transferability.

Cases were selected using purposive sampling based on the following criteria:

1. Operational stability – The organization has been continuously active for at least 3 years, ensuring sufficient historical data.
2. Organizational structure – The NPO has a defined management team and strategic objectives, allowing for meaningful analysis of EO-related practices.
3. Sectoral diversity – The sample includes NPOs from various fields (social services, education, advocacy, cultural organizations) to capture different EO manifestations.
4. Engagement in entrepreneurial activities – The organization has demonstrated at least some degree of innovative, proactive, or risk-taking behavior, ensuring the relevance of EO analysis.

This selection strategy ensures a heterogeneous yet comparable sample that allows for meaningful exploration of EO-performance relationships across different NPO contexts. The number of ten cases was determined based on the principle of theoretical saturation (Eisenhardt, 1989), which ensures sufficient variation across cases to capture key patterns and mechanisms related to EO. The sample is not statistically representative but analytically robust, aligning with qualitative case study logic aimed at theory building rather than generalization to a population. This approach is commonly accepted in organizational and management studies when examining under-researched or complex phenomena such as EO in non-profit settings.

Data collection was conducted between June and September 2018 using a triangulated approach to enhance validity and reliability. The study employed semi-structured interviews, observations, and document analysis. Semi-structured interviews were conducted with managerial staff representatives (executive directors, program managers, board members), but also organization members, employees, volunteers. A minimum of two interviews were conducted in each organization. Each interview lasted 45-90 minutes and explored, among others, strategic decision-making processes, perceptions of risk-taking, innovativeness, and proactiveness, financial and social performance metrics (with managerial staff) and overall performance and organizational behaviors related to EO dimensions (with other engaged in organizations' activity). The interviews were conducted as a part of the visit in the organizations which consisted also of observations and handing over document for further analysis or reviewing documents and making notes if making a copy or transferring them were impossible. Document analysis included review of strategic plans, financial reports, grant applications, and annual statements to validate interview findings. Each organization also filled in a detailed questionnaire with open-ended questions regarding organizations activity, structure, team management, cooperation with other entities, financial situation and provided services. A comprehensive report was compiled for each organization, integrating all collected data sources. By integrating multiple data sources, the study ensures robustness and credibility in identifying EO patterns and their relationship with performance.

Data were analyzed using qualitative coding and cross-case comparison, following Miles & Huberman's (1994) framework for thematic analysis. First, transcribed interviews, questionnaire responses, and organizational documents were systematically coded. EO-related behaviors were classified into three primary categories: innovativeness (development of new programs, services, or funding models), proactiveness (strategic planning, long-term vision, and stakeholder engagement), and risk-taking (willingness to invest in uncertain projects or diversify funding).

Then, performance outcomes were analyzed along two dimensions: financial performance (revenue sources, financial stability, and ability to attract funding) and social performance (goal achievement, community impact, and stakeholder engagement).

A comparative case analysis was conducted to identify common patterns and variations across organizations. Particular attention was given to organizational mechanisms mediating EO-performance relationships (e.g., mission alignment, professionalism) and differences between high vs. low EO organizations in terms of financial and social outcomes. Findings were validated through member checking (confirming interpretations with interviewees) and triangulation across data sources.

The studied organizations varied in terms of sector, size, and level of professionalization. The sample included foundations and associations operating in areas such as education, cultural activities, workforce activation, healthcare, and sports. Some organizations exhibited a high degree of professionalization, while others maintained stronger ties to grassroots initiatives. Several cases experienced periods of crisis linked to organizational restructuring, funding challenges, or mission drift. These variations allowed for an in-depth examination of EO and its relationship to organizational performance within different operational contexts.

The data used in this study were collected in 2018, which may raise concerns regarding its timeliness related to contemporary context (like policy shifts, economic conditions or COVID-19 pandemic). However, the relevance of the findings remains strong due to several factors. This include: structural stability of the sector which means that fundamental characteristics of Polish NPOs and their regulatory environment have remained relatively stable over time; limited availability of updated data because conducting large-scale, sector-wide qualitative studies on EO in NPOs is rare, making this dataset one of the few comprehensive sources available; longitudinal relevance – the study examines organizational developmental patterns and strategic behaviors, which remain valid even if specific operational details evolve; and comparability with prior research as using this dataset allows for comparisons with existing literature on EO and non-profits, contributing to the broader academic discourse. While external conditions such as policy shifts or economic trends may have evolved, core mechanisms of EO - governance models, strategic decision-making, and financial sustainability - exhibit long-term stability. To account for potential changes, findings are interpreted in the context of broader sectoral trends rather than specific operational details, and future research could explore post-pandemic developments in NPO entrepreneurial orientation.

This methodological approach allows for a robust examination of EO in Polish NPOs, integrating qualitative insights through a multiple-case-study design. Despite some limitations, the findings contribute to a better understanding of how EO influences performance in mission-driven organizations and provide a foundation for future research in this field.

4. Results

Analysis of the 10 non-profit organizations revealed varying levels of EO adoption, influenced by external pressures, organizational capacity, and leadership strategies. The findings highlight key differences in how innovativeness, proactiveness, and risk-taking are expressed within the non-profit sector. To protect the anonymity of the studied organizations, their names are not disclosed. Instead, they are labeled with letters from A to J throughout the analysis.

Most organizations demonstrated moderate levels of innovativeness, primarily in response to external funding requirements rather than internal strategic intent. Innovations were generally incremental, such as adapting existing programs or modifying service delivery models, rather than radical transformations. For example organization A secured a corporate partnership to launch a works of art loaned from the Foundation, a novel initiative in its sector.

Low-to-moderate levels of proactiveness were observed, with most organizations engaging in short-term, reactive planning rather than long-term strategic positioning. Few organizations actively sought partnerships or diversified revenue sources beyond traditional grants. Organization C, for instance, engaged in scenario planning and early adoption of EU funding opportunities, setting it apart from others.

Risk-taking was limited, largely due to donor accountability and financial constraints. Most organizations displayed risk aversion in financial decision-making (e.g., reluctance to launch self-financing initiatives), while some engaged in calculated programmatic risk (e.g., piloting new service models). Organizations with higher professionalization and diversified funding sources exhibited greater risk-taking behaviors. A good illustration here would be organization I which experimented with a social enterprise model and not-for-profit company, while others remained cautious due to uncertainty. These findings align with prior research suggesting that EO in NPOs is often externally driven rather than a core strategic priority (Desa, Basu, 2013).

The analysis explored how EO influences financial and social performance, revealing distinct patterns in each domain. First, EO alone does not directly drive financial sustainability; rather, its impact depends on complementary strategic financial management practices. Organizations with higher EO (more innovative, proactive) were not necessarily more financially sustainable, like organization F, which, despite high EO – implementing innovative

solution in social work area, with proactive behavior of staff, and high level of risk-taking, struggled with financial instability due to reliance on project-based funding. Key insight in this domain appeared that EO alone is insufficient for financial sustainability unless coupled with strategic financial management.

Second, a strong positive relationship was found between EO and social performance (goal achievement, stakeholder engagement). Organizations with higher EO exhibited greater program outreach, community engagement, and service effectiveness. Organization C, which integrated EO with mission alignment, expanded its social services by 30% in two years, is a good example of this link. Main conclusion of EO and social performance relation analysis was that EO in NPOs primarily enhances social value creation rather than financial gain (Saebi, et al., 2019; Austin et al., 2006).

Findings indicate mission alignment and professionalization and strategic management are important factors that shape the impact of EO on performance

High EO organizations with strong mission alignment successfully balanced innovation with social impact. Organizations that pursued EO without aligning it with their mission faced internal resistance and stakeholder distrust. For example organization H successfully integrated EO into its mission-driven model, building professional and well-integrated hospice centers, while Organization B experienced mission drift. Organization B introduced, after finding promising niche, revenue-generating activities (running educational institutions), while financially promising, conflicted with its core mission, leading to tension among staff and beneficiaries (especially in local communities). As a conclusion it can be said that mission-driven entrepreneurship strengthens EO effectiveness (Saebi et al., 2019).

As mentioned above, another as mediating factor was professionalization and strategic management. Organizations with higher levels of professionalization (formal governance, strategic planning) were better at leveraging EO for both social and financial gains, while informally structured NPOs struggled to sustain entrepreneurial initiatives. For instance organization I used performance measurement tools to enhance EO effectiveness, whereas Organization J lacked structured planning. Organizational capacity therefore can be seen as a critical determinant of EO success in NPOs (Austin et al., 2006).

The case study analysis revealed three broad EO-performance patterns among the studied NPOs:

- Organizations with high EO and strong mission alignment achieve a strong social impact (e.g. Organizations C, H and I).
- Organizations with a medium level of EO and moderate professionalization demonstrate a mixed results in financial and social performance, as observed in Organizations A, B, D, E, and F.
- Organizations with low EO and weak strategic management exhibit limited performance outcomes, as seen in Organizations G, and J.

These findings highlight the importance of internal organizational mechanisms in shaping the EO-performance link. While EO enhances social impact, financial sustainability requires complementary strategic management practices. This analysis provides the basis for the discussion of implications and future research directions.

5. Discussion & Implications

This study investigated the relationship between Entrepreneurial Orientation (EO) and performance in Polish non-profit organizations (NPOs), focusing on three key research questions: (1) how EO is implemented within a mission-driven framework, (2) the extent to which EO influences financial and social performance, and (3) the organizational mechanisms that mediate the EO-performance relationship. The findings contribute to the growing body of research on EO in non-profits by demonstrating that EO in NPOs is primarily driven by external pressures rather than intrinsic strategic intent. Unlike for-profit firms, where EO is linked to profit maximization and competitive advantage, the findings suggest that EO in NPOs functions as a mechanism to enhance mission fulfillment and social impact, with financial benefits remaining uncertain.

The study indicates that EO adoption in Polish NPOs is largely a response to external funding and institutional constraints rather than a proactive strategic orientation. This aligns with prior research suggesting that NPOs engage in entrepreneurial behaviors primarily to meet donor expectations, policy requirements, and competitive grant conditions (Desa, Basu, 2013). This study extends the literature by illustrating how EO in post-transition economies like Poland is shaped by a unique set of institutional challenges, including fluctuating funding availability, regulatory constraints, and donor-driven priorities. Unlike in more established non-profit sectors, where EO may stem from strategic agency, Polish NPOs engage in entrepreneurial behaviors as a necessity to navigate unstable financial and policy environments, often at the cost of strategic autonomy. These findings challenge traditional EO theories, which assume that entrepreneurial behavior stems from proactive decision-making rather than external survival mechanisms (Rauch et al., 2009).

The results provide empirical evidence that EO in NPOs is more strongly linked to social performance than financial outcomes. Organizations with higher EO levels reported greater mission achievement, stakeholder engagement, and service outreach, reinforcing prior studies that highlight EO's role in social innovation (Austin et al., 2006; Saebi et al., 2019). However, the findings also indicate that EO did not directly contribute to financial sustainability. Even highly entrepreneurial organizations faced financial instability, suggesting that EO alone does not guarantee financial sustainability. However, organizations that coupled EO with strong governance and diversified funding strategies were better positioned to mitigate

financial risks. This indicates that EO's financial impact is contingent on the presence of complementary resource management mechanisms rather than being an independent driver of financial success (Foster et al., 2009). This distinction between social and financial performance adds nuance to existing EO research, which has traditionally assumed that EO contributes equally to both dimensions.

A key contribution of this study is the identification of mission alignment and professionalization as critical mediators of the EO-performance relationship. The findings suggest that NPOs that successfully integrate EO with their core mission experience stronger social performance. This supports prior research showing that mission-driven entrepreneurship enhances stakeholder trust and prevents mission drift (Morris et al., 2011). However, organizations that adopt EO purely as a means of financial survival often face internal resistance from staff and volunteers, limiting their effectiveness. This highlights a tension between entrepreneurial strategies and mission-driven values, a challenge that remains underexplored in EO literature.

Professionalization emerges as a critical moderator in the EO-performance relationship. Specifically, organizations with well-developed governance structures, strategic foresight, and leadership capacity were better positioned to translate EO into social innovation and long-term sustainability. These findings suggest that professionalization is not merely a supporting factor but a necessity for the successful implementation of EO, particularly in environments where institutional funding mechanisms are unstable. These findings align with prior research emphasizing the role of managerial competence and strategic capacity in translating EO into performance outcome (Doherty et al., 2014; Saebi et al., 2019). However, this study further reveals that low professionalization can act as a barrier to EO success, particularly in environments where institutional funding mechanisms are weak.

This study makes three key theoretical contributions to EO research and non-profit management. First, this study reframes EO in NPOs as a contextually driven adaptation rather than a deliberately chosen strategic orientation (Covin, Slevin, 1989; Rauch et al., 2009). Unlike for-profit firms, where EO is a proactive pursuit of competitive advantage, NPOs exhibit entrepreneurial behaviors primarily as a means of organizational survival and mission fulfillment in response to external funding pressures and institutional constraints. While EO in for-profit firms is often a deliberate strategic choice, in NPOs, it emerges primarily as a response to external pressures. This challenges traditional EO frameworks that assume organizations proactively pursue entrepreneurship as part of their long-term vision (Morris et al., 2011). Second, the study differentiates the impact of EO on social versus financial performance. While prior research acknowledges EO's role in social innovation, this study provides empirical evidence that EO does not automatically lead to financial sustainability. Instead, financial stability requires additional governance and revenue diversification mechanisms, which EO alone cannot provide. Third, the study identifies organizational mechanisms that shape EO effectiveness in NPOs, demonstrating that mission alignment and

professionalism moderate the EO-performance link (Austin et al., 2006; Foster et al., 2009). These findings extend research on institutional constraints in non-profits, emphasizing that EO's effectiveness depends not only on strategic intent but also on internal capacity-building.

The findings have several practical implications for non-profit managers. First, entrepreneurial initiatives should be aligned with the organization's social mission to prevent internal resistance and stakeholder disengagement. NPO leaders must communicate the strategic value of EO to employees and donors to maintain coherence and trust. Second, strengthening governance and professionalization can enhance EO effectiveness by providing the managerial capacity to execute innovation, proactiveness, and risk-taking responsibly. Investing in leadership development, strategic planning, and performance measurement can help NPOs leverage EO without financial instability. Third, EO alone does not guarantee financial sustainability, highlighting the need for hybrid funding models. NPOs should diversify revenue streams, such as earned income, partnerships, and philanthropic investments, to mitigate risk. Additionally, policymakers and funders should support entrepreneurial NPOs through hybrid financing mechanisms such as outcome-based grants, innovation vouchers, and social impact bonds. These tools can provide financial flexibility while encouraging innovation. Moreover, regulatory reforms that allow NPOs to diversify income sources - such as facilitating earned income activities and simplifying the process for establishing social enterprises - could further strengthen the sector's entrepreneurial capacity. Encouraging multi-year funding agreements rather than short-term project-based grants would also reduce administrative burden and enhance strategic planning opportunities.

6. Conclusion & Future Research

This study examined how Entrepreneurial Orientation (EO) manifests in Polish non-profit organizations (NPOs) and its impact on financial and social performance. The findings challenge traditional EO theories by demonstrating that, in NPOs, EO functions as an adaptive strategy rather than an inherent strategic posture.

In summary, the study provides three main contributions. Empirically, it offers rich, qualitative insights into how EO manifests in Polish NPOs and affects both financial and social performance. Theoretically, it reframes EO as a context-dependent, externally driven phenomenon and distinguishes its differentiated impact on dual performance dimensions. Practically, it delivers actionable recommendations for NPO leaders and external stakeholders, including aligning EO with mission, professionalizing management, and implementing hybrid and flexible funding structures. This consolidated framework bridges research and practice while addressing the unique challenges of NPOs in post-transition economies.

The key findings indicate that EO in NPOs is externally induced rather than proactively pursued, driven primarily by donor expectations, competitive funding environments, and institutional pressures. Additionally, EO has a stronger impact on social performance than financial performance, suggesting that entrepreneurial activities enhance mission achievement and stakeholder engagement but do not necessarily lead to financial sustainability. Furthermore, mission alignment and professionalism moderate the EO-performance relationship, with organizations that integrate EO into their core mission and employ structured governance benefiting the most. These findings refine EO theory by demonstrating that entrepreneurial strategies in NPOs are not universally beneficial but are highly context-dependent. Their effectiveness hinges on organizational mechanisms such as mission alignment and professionalization, which mediate EO's impact on both social and financial performance. For non-profit managers, the study underscores the need to balance EO with mission-driven strategies, strengthen professionalization, and adopt hybrid funding models to maximize the benefits of entrepreneurial initiatives.

While the study provides valuable insights, several limitations must be acknowledged. First, the use of retrospective data may affect the accuracy of reported experiences. Second, potential response bias due to self-reported data. Third, the time gap between data collection and publication requires cautious interpretation of findings.

Also, while this study provides important insights, several avenues for future research remain. First, longitudinal studies are needed to examine how EO influences NPOs over time, particularly in response to policy changes and funding cycles. Second, comparative research across institutional contexts would provide valuable insights into how policy frameworks, donor structures, and socio-economic conditions affect EO adoption. Third, mixed-method approaches combining quantitative and qualitative data could be used to test the causal mechanisms between EO, mission alignment, and financial/social performance. Future research could also investigate the interplay between leadership styles, organizational culture, and staff engagement in EO implementation. Given that professionalization enhances EO effectiveness, understanding how leadership fosters or inhibits entrepreneurial behaviors within NPOs could provide deeper insights into the internal drivers of EO. Finally, with the growing use of technology and digital platforms in non-profits, further investigation into how digital transformation can enhance entrepreneurial behaviors and performance would be beneficial. Addressing these gaps would contribute to a more comprehensive understanding of EO in NPOs and offer actionable insights for both researchers and practitioners.

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