Service Innovation in the Non-Profit Sector

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ABSTRACT

Non-profit organisations are valued because they provide services that address unmet needs. Nonprofits who engage in social entrepreneurship augment their contributions through new services, programmes, enterprises and revenue generated. It is not surprising, therefore, for policy makers to encourage social entrepreneurship, service innovations and social enterprises. However, not all nonprofits seek to innovate by creating revenue-generating social enterprises. They may continue to devote themselves to specific fields and existing practices through other forms of service innovations instead. The intent of nonprofits in starting new services is investigated through a two-pronged quantitative and qualitative research approach.

In the quantitative section, a survey is conducted on non-profit organisations in Singapore to measure their intentions in initiating social enterprises and the influence of organisational attributes on these intentions. Entrepreneurship research suggests that under certain conditions, organisations engage in entrepreneurship through new ventures, projects, and innovations. Hence, it is of interest when incumbent nonprofits engage in social entrepreneurship and to find out the key variables that influence their decisions or intentions to create social enterprises.

In the qualitative research, interviews are conducted with selected nonprofits on their intentions towards service innovations. The term "service innovations" is generally understood by the respondents as new or significally improved services, which for some, include social enterprises as well.

This research found that social cause, organisation efficacy and innovativeness are key attributes in the intent towards either social entrepreneurship or service innovations. The interviews revealed that the need of the organisation to stay relevant and serve their beneficiaries better takes precedence over other factors such as availability of funding and having the relevant capabilities within the organisation. This has policy implications for policy makers seeking to foster innovativeness within the nonprofit sector.

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CHAPTER 1: INTRODUCTION

Worldwide, services are a significant source of employment and output, and rapidly growing as the "wave of the future" (Miles 1993). In Singapore, the services industry constitutes the majority of the economy and employment. Within the industry, the non-profit sector is known for the provision of services that are not provided for by the free market. In particular, the non-profit sector plays a significant role in meeting unmet needs. In Asia, these needs continue to grow even as the economies develop in the economic arena albeit with a strong presence and role of the government being seen in Korea (Bidet, 2002) and in Hong Kong (Lee, 2005).

The situation is no different in Singapore where the government plays both a corporatist and statist role as in Hong Kong (Lee, 2005) although the processes are different. Within this space, the social sector dominates, a development that can be traced from Singapore's early days as a British colony, during which many non-profit organisations (NPOs) in the social sector were faith based groups or closely related to such groups. After independence in 1965, the government played a stronger role as funder and key policy initiator through new programmes, projects and even structures (Wee, 2004; Tan, 2007; Ngiam, 2009).

1.1 Research Objectives

In recent times, it has become imperative for NPOs to consider service innovations. The impetus stems from the pressure of meeting the needs arising from the rapidly changing demographics of their clients, competition for a finite donation pie, and to tap on government funding schemes which has an increasing bias towards innovativeness.

Yet, research remains nascent despite the fact that examples of service innovations are readily evident and apparent in the non-profit sector. In the absence of a profit motive, it is interesting to examine the "psyche" of NPOs in their innovation process. A plausible explanation is to examine organisational attributes such as the

NPO's entrepreneurial inclination, preference for risk, and organisational priorities.

With this in mind, this research aims to explore the role of organisational attributes in a NPO's propensity towards starting a social enterprise. The study will draw upon current studies in the area of innovation, service innovation, corporate entrepreneurship and non-profit innovation. This study is further supplemented by a qualitative study using interviews conducted with NPOs exploring the general domain of service innovation.

We will examine this by first understanding the historical development of the non-profit sector in Singapore, the crucial sociopolitical role of the government, and the development of social enterprises and social entrepreneurship.

1.2   Historical Development Of Non-Profit Sector In Singapore And Role Of Government

Since the founding of Singapore by Sir Stamford Raffles in 1819, the colonial government adopted a laissez-faire approach to developing Singapore, providing little welfare and allowing things to be as they were unless there was unrest. The influx of immigrants during the early days of Singapore brought with them social problems which the government then did not know or wish to lend a hand to.

The earliest voluntary organisations were groups which can be broadly classified along racial and/or religious lines. These were the clan associations (predominantly Chinese and grouped by surname/dialect) and the missionaries. The missionaries, for example, established the first school in Singapore from as early as 1819, while the Cantonese clan formed the Kwong Wai Shiu Hospital in 1910 to provide treatment for the chronically ill. Wealthy businessmen turned philanthropists also contributed towards playing the role of the surrogate caregiver by taking on leading roles in the provision of education, skills training, shelters and medical care. Well-known philanthropists such as Tan Tock Seng, Dato Lee Kong Chian, Mohammed Eunos bin Abdullah and P Govindasamy Pillai Kalyanamandabam remain in the public consciousness to the present day.

With self-government granted in 1959 and full independence in 1965, the government took a more involved role in fostering the social sector. By this time, although the ruling government has started to take on a major role in providing subsidised housing, education and medical care, the nonprofit sector remains an important stakeholder.

This development happens in tandem with the realisation on the part of the Singapore government in the late 1990s of the need to develop "heartware" that can knit the citizenry together by having the communities "own" the social needs in their neighbourhoods. The mechanisms through which this objective of knitting the citizens living in the neighborhoods together was to be achieved were primarily through the Community Development Councils (CDCs) that worked with NPOs and volunteers. The CDCs were originally set up in 1997 to coordinate and lead the existing grassroots organisations. From the original nine CDCs, they were subsequently revamped in 2001 to their present form, with five CDCs, each with a full-time mayor who is a political appointee. These CDCs took charge of the administering of social-assistance schemes, offering employment assistance to the retrenched and unemployed, as well as promoting racial harmony and enhancing community bonding. In their expanded roles, CDCs worked closely with NPOs in the introduction of new and social initiatives, often in the sponsoring or mobilisation of additional resources.

1.3   Social Enterprise and Social Entrepreneurship Development in Singapore

In recent times, entrepreneurship has moved into the non-profit arena under the rubric of social entrepreneurship (see e.g. Van Ryzin, Grossman, DiPadova-Stocks and Bergrud, 2009).

Social entrepreneurship can contribute to the non-profit sector through fostering new innovations and services, benefiting NPOs through new service innovations, programmes and revenue sources. In particular, social enterprises appear to

provide an attractive option to get the non-profit sector to be more entrepreneurial and innovative in helping their beneficiaries through earned income activities.

Inspired by the success of prominent social enterprises in Asia such as the Population and Community Development Association in Thailand, and Grameen Bank in Bangladesh, the Ministry of Community Development, Youth and Sports (MCYS) in Singapore embarked on an initiative in 2003 to interest charities, NPOs, community groups, businesses and individuals in social entrepreneurship by creating the Social Enterprise Fund (SEF).

With the creation of the SEF, the Ministry made available grants of up to S$300,000 to each successful applicant (including new or existing NPOs) who wished to set up a social enterprise. Successful grantees could use the sum over a three year period. It is also worth noting that at the time of its setup; the fund is probably the most "generous" of its kind amongst other government initiatives to foster entrepreneurship. The most attractive feature of the scheme was that the government took no ownership stake in the social enterprises started by successful applicants, requiring only periodic progress updates.

By encouraging NPOs to set up businesses as a possible avenue to raise funds, it was the government's intent that the fund will help the non-profit sector to be more self-reliant, innovative and financially sustainable in the long run. For this reason, the types of business funded under the SEF were varied - spanning various business sectors such as food and beverage, car polishing services, cleaning services and data entry services, and the beneficiaries covered a broad spectrum, including former drug addicts, former offenders, the disabled, the elderly, delinquent youths and the chronically unemployed. (Singapore Parliament Report, 17 November 2004).

In 2005, the SEF was renamed as the ComCare Enterprise Fund (CEF), forming part of a larger ComCare Fund, the latter of which is the government initiative to assist needy Singaporeans. Under CEF, the funding criteria was more narrowly defined with a focus on funding enterprises that helped to create employment opportunities and skills training to needy disadvantaged Singaporeans.

1.4   Significance of Study Through The Lens of Service Innovations

Over the last two decades, a number of European countries have done a great deal of work to understand the growth of their services sector. These include the development of the Oslo Manual[1] and the incorporation of services into the European Union's Community Innovation Survey.

Despite its growing importance, research into ways to innovate services has been comparatively sparse. The domain of service innovation have "remained balkanized in different academic disciplines" (Chesbrough and Spohrer, 2006) and is "still a mystery" (Tekes[2], 2007). In addition, such studies tend to study the for-profit sector exclusively.

As a service-oriented sector[3], there is a crucial need for NPOs to innovate in their service offerings in the face of complex needs and demands from the population, so as to either adapt or fade into oblivion. The need to be innovative in their service offerings impact NPOs directly in at least two key areas: donations and volunteer retention.

In a survey conducted by the National Volunteer and Philanthropy Centre[4] (NVPC), the top issue faced by Institutions of a Public Character[5] (IPCs) is donor fatigue. In term of volunteer management, the top issue is in sustaining the interests of volunteers (volunteer retention). For a country with more than 1,900 charities[6], it does imply that "consumers" (in this context, the donors/volunteers who contribute money/time) do value NPOs that are innovative and pro-active in engaging and serving their beneficiaries.

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[1] Foremost international source of guidelines for the collection and use of data on innovation activities in industry (including services) used by the OECD.
[2] Tekes is the main government financing and expert organisation for research and technological development in Finland. One of their areas of focus is in the area of service innovation.
[3] The non-profit sector is classified as part of the services industries known as "Community, Social & Personal Services" by the Department of Statistics, Singapore.
[4] NVPC IPCs Survey Highlights 2007
[5] Organisations which are authorised to receive tax-deductible donations.
[6] Commissioner of Charities Annual Report 2009.

The competition for funding can be fierce. In the 2009 Annual report released by the Commissioner of Charities, the total income of the charity sector (including services fees, donations and government grants) amounted to S$9.02 billion[7] with 98 large charities (those with annual income above S$10 million) accounting for 85% of the total income. What is more revealing is that the smallest charities (defined as those with annual income of less than S$250,000) made up 44% of the population of charities, yet account for less than 1% of total income.

Further, as part of the "many helping hands" approach of the government, NPOs play a crucial role in providing the additional hands in reaching out to the needy and disadvantaged in the community. Hence, there is vested interest by the government in ensuring that NPOs continue to remain relevant by exposing NPOs to the marketplace to foster their innovativeness. Social enterprises provide a good entry point to do so.

So, what is Service Innovation? Scholars have tended not to define service innovation specifically, choosing instead to distinguish it from product innovation (Martin and Horne, 1993; Miles 2000; Berry et. al. 2006) or simply to term it as "innovation in services" (Barras, 1986; Hipp and Tether, 2000), leaving the question open on what "innovation" encompasses.

At its most basic, an innovation is "an idea perceived as new by the individual" (Rogers, 1962). Peter Drucker added an added link to performance by stating innovation as "change that creates a new dimension of performance".

The UK Innovation Survey[8] uses a fairly comprehensive definition of innovation as follows:

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[7] Ibid. For Financial Year ended in 2008.
[8] Part of the Europe-wide Community Innovation Survey (CIS)

> "Innovation is defined as major changes aimed at enhancing your competitive position, your performance, your know-how or your capabilities for future enhancements. These can **be new or significantly improved goods, services or processes** for making or providing them. It includes spending on innovation activities, for example on machinery and equipment, R&D, training, goods and service design or marketing."

Some studies draw a distinction in term of the magnitude of innovations. These include incremental versus radical innovations (Abernathy, 1978), and incremental versus breakthrough innovations (Tushman and Anderson, 1986), amongst others.

Specific to the definition of service innovation, Tekes - the Finnish Funding Agency for Technology and Innovation[9] - provides one of the most extensive definitions as follows:

> "Service innovation is a new or significantly improved service concept that is taken into practice. It can be for example a new customer interaction channel, a distribution system or a technological concept or a combination of them. A service innovation always includes replicable elements that can be identified and systematically reproduced in other cases or environments. The replicable element can be the service outcome or the service process as such or a part of them. A service innovation benefits both the service producer and customers and it improves its developer's competitive edge[10]."

Mulgan G. (2006) puts across that such innovations "refers to innovative activities and services that are motivated by the goal of meeting a social need and that are predominantly **diffused through organisations whose primary purposes are social**" (Emphasis author's).

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[9] Tekes is the main government financing and expert organisation for research and technological development in Finland, one of the research-intensive countries in the world.

[10] This definition is used in Tekes' Serve program, which targets to increase and broaden the services development of the Finnish industry and to promote academic research in service related areas.

Against this background, this study took a two-pronged approach by first examining service innovations through the NPO's intention towards starting a social enterprise in a quantitative study using survey as the research instrument. Next, a qualitative study is conducted where selected NPOs were interviewed specifically on service innovations. This is discussed in greater details in the section on methodology.

CHAPTER 2: RELEVANT LITERATURE

Nonprofit researchers have variously pointed to the integral role of resources to the ability of NPOs to flourish, innovate and deliver their services (Anheier, 2005). In particular, the entrepreneurship literature supports the important role of the availability of financing. However, there is more to the decision to create a new enterprise than the availability of funding.

Of interest to researchers and policy-makers would be the knowledge as to why some nonprofits are more likely than others to start social enterprises. Whether a nonprofit would create a social enterprise would be influenced by its organisational attributes – attitudes and traits. Entrepreneurship theories have been used to explain the development of nonprofits (Anheier, 2005).

Adapting ideas from the private sector for the non-profit sector is less unusual than one might think. This is already used in non-profit research in the areas of organisational studies and strategic management. For example, Abzug R. (1999) traced the lineage of three key research traditions: neoinstitutional, population ecology and resource dependency, and found that their roots are more anchored in the public and private non-profit sector rather than in the corporate sector. Archibald (2007) also used organisational ecological models to examine the organisational dynamics in the non-profit sector.

We draw on two streams in the entrepreneurship literature: entrepreneurial intentionality and corporate entrepreneurial traits. The entrepreneurship literature suggests that nonprofits that have positive attitudes towards entrepreneurship (i.e. perceive entrepreneurship as desirable and feasible) would have a higher intention to start social enterprises.

Entrepreneurship research has demonstrated the role of intentions on entrepreneurial action. Krueger et al. (2000) developed their theory of entrepreneurial intentions. Begley and Tan (2001) found that face and shame acted as socio-cultural influences on the entrepreneurial intentions of individuals in society. Brazeal (2004) argues that entrepreneurial intentionality applies to

corporations influencing the extent of corporate entrepreneurship. This stream of literature suggests that attitudes towards entrepreneurship possessed by NPOs would influence their intention to start social enterprises. This is an area of interest as NPOs might not perceive that they have the ability to venture into social entrepreneurship. NPOs are by definition not-for-profit in their missions and might possess different capacities and attitudes. Hence, they might not evince intentions to start social enterprises when the organisations do not consider such activities within their reach, if they do not think they possess the efficacy.

Research into corporate entrepreneurship posits that certain organisational factors explain the incidence of corporate entrepreneurship. These organisational traits, innovativeness, risk taking and proactiveness are components of entrepreneurship orientation of corporations (Miller & Friesen, 1982; Covin & Slevin, 1989). As a multidimensional construct, entrepreneurship orientation has been found to have a positive association with organisational profitability and growth (Covin & Slevin, 1991; Lumpkin & Dess, 1996; Miller & Friesen, 1983; Wiklund & Shepherd, 2005). Davis, Marino, Aaron and Tolbert (2009) employed entrepreneurship orientation to examine the external scanning behavior of home nursing administrators by profit status and found no significant difference in the entrepreneurship orientation between the nonprofit organisations and the for profits in that sector though the nonprofit organisations are more likely to engage in external scanning.

Innovativeness is associated with a strong organisational commitment to "engage in and support new ideas, novelty, experimentation, and creative processes that may result in new products, services or technological processes" (Lumpkin & Dess, 1996, p. 142). Risk taking refers to the "degree to which managers are willing to make large and risky resource commitments—i.e., those which have a reasonable chance of costly failure" (Miller & Friesen, 1978, p. 923). Proactiveness involves an "opportunity-seeking, forward-looking perspective involving introducing new products or services ahead of the competition and acting in anticipation of future demand to create change and shape the environment" (Lumpkin & Dess, 2001, p. 431). Hence, in this study, the separate organisational dimensions of innovativeness, risk taking and ambiguity avoidance

were included in the survey employing items adapted from the existing entrepreneurship scales.

Business startups require resources. One key activity in the startup phase of a business is financing. Similarly, NPOs are often stretched for resources. Without the relevant resources, it is likely that NPOs would not have intentions to engage in social entrepreneurship. Leaders or managers are needed to spearhead these new activities. NPOs with resource sufficiency may not have an intention to start social enterprises. Hence, the study also explored the influence of this aspect of resource availability. While the policymakers have provided financial incentives to motivate NPOs in Singapore to create social enterprises, these incentives will only entice NPOs who do not have the financial means.

The social mission focus of a NPO may influence its social entrepreneurship intention. If its focus is on developing a volunteer network and a donor base, there might be less inclination to start a social enterprise. Conversely, social entrepreneurship might offer an alternative for the NPO to reduce its reliance on fundraising, and to achieve its social agenda through the business activities of the social enterprise formed. It is unclear whether the NPOs' focus on the social mission would influence social entrepreneurship intention positively or negatively. As such, the study did not specify a direction and seeks to explore this relationship.

CHAPTER 3: METHODOLOGY

This study takes a two-pronged approach. The quantitative part of the research is conducted through a survey to examine the organisational variables which drive the organisation's intention towards starting a social enterprise. "Social enterprise" is used as an example of service innovation as it is a more familiar term in the non-profit lexicon. Also, since service innovations are often introduced in NPOs through the vehicle of social enterprises, social enterprises are the most visible form of service innovation in the sector. For the NPOs, starting a social enterprise means that they often have to take a bold step out their existing social service domain to offer something new (through business activities) that can help to provide them with surplus to finance their social activities or as a means to assist the disadvantaged (e.g. by employing the beneficiaries they helped).

Drawing on the inputs of the survey, a subsequent qualitative study was conducted using interviews. Using a convenient sampling of NPOs, the respondents were probed to understand the motivations, process and key challenges in their organisations' service innovation journey.

3.1   Survey

In the first stage, the research used survey data that was obtained with the assistance of the Lien Centre for Social Innovation at SMU. A questionnaire survey was mailed to a list about 390 NPOs on the MCYS' database and additions to the list from the database of the National Volunteer and Philanthropy Centre. Altogether, 600 NPOs were in the final sample, with follow-ups on incomplete responses through phone calls. The surveys were filled by the respective executive directors or senior staff of the NPOs.

The survey instrument was developed with scale items to measure the constructs of interest. Scales were developed for this study to measure measuring social entrepreneurship intention (3 items), perceptions of organisational efficacy of social entrepreneurship and the organisation attributes of innovativeness, risk-taking and ambiguity avoidance. The respondents were requested to rate the statements on a five point scale with 1 being "Strongly Disagree" and 5 being

"Strongly Agree." The measures were subjected to exploratory factor analysis employing principal component analysis with varimax rotation and to reliability tests. The items are described subsequently in this paper together with the results of the Exploratory Factor Analysis (EFA) and reliability tests. Unless otherwise mentioned, the items included satisfied the thresholds for the EFA. As this study is exploratory in nature, it was decided to retain measures where the Cronbach alpha was above 0.5.

Intention was measured employing 3 statements requesting the respondent to indicate their organisations' intention to start a social enterprise or not (alpha = 0.841). Organisation efficacy measures were developed drawing upon suggestion from the literature. Eight statements were developed. The results from the EFA showed that these items loaded on two different factors with items to be dropped. The first factor is organisation efficacy and the items requested the respondents to rate the capability of their organisations to a good concept to start a social enterprise, raise enough funds to start a social enterprise, to staff a new social enterprise using existing manpower resources, or find enough skilled employees to start and run a social enterprise, obtain the necessary technology, market information and know-how (alpha = 0.846).

Resource availability is the second variable that resulted from the EFA on the organisation efficacy items. The measures explored whether the organisation could raise enough funds to start a social enterprise, staff a new social enterprise using existing manpower resources and start a social enterprise without any form of assistance (such as subsidies, funding) from the government (alpha =0.702). This variable is conceptually justified as the nonprofit sector in Singapore is usually less well-resourced in funding and staffing. Most of the people employed in this sector in Singapore are mostly from the social work sector and may not be suited for social entrepreneurship ventures.

The organisation attributes of innovativeness, risk-taking and ambiguity avoidance was examined employing items adapted from the corporate entrepreneurship literature. Innovativeness was explored employing statements on the organisation's emphasis on research & development, and innovations; whether

it sought new ways to address social needs; and whether they found problems that required an innovative approach the most challenging (reverse scored). The EFA led to the exclusion of one item. Another item was excluded for theoretical reasons. The resultant two items had an alpha of 0.592.

Risk-taking employed 4 items on the organisation's preference for high-risk projects with chance of very high returns; if the organisation believed that bold and wide-ranging acts are necessary to attain its goals; if the organisation's response to uncertainty was a bold and aggressive posture; and whether the organisation was often in the lead as the first to introduce new products/services. One item was excluded after the EFA and 3 items retained (alpha = .651). Ambiguity avoidance was measured with 4 items. One item was excluded after the EFA. The three items retained (alpha = 0.632) measured the organisation's preference for "tried and tested" methods, work that is steady and support for our work is certain, and the organisation's preference for risk avoidance.

The importance of the social mission was explored through the statements: "Our organisation's priority is to run programs that directly tie to our social mission and not take risks in running a social enterprise"; "Our organisation would rather grow a larger volunteer base than start a social enterprise"; and "Our priority is to grow a larger donor base rather than start a social enterprise."

3.2 Interview

While the survey yields substantial insights on the organisational variables at work, they do not provide insights as to the manner in which service innovation is carried out; nor the process that is employed, or the way that organisational variables and the innovation process interact.

Interviews were conducted to provide additional qualitative insights. This took a broader approach where the term "service innovation" was used to lead the interviews. Nevertheless, it was discovered that both terms can have similar meaning as used within the sector i.e. social enterprises can be a form of service innovations, but the reverse need not be the case.

The interviews were conducted separately with a convenient sampling of NPOs representing different sectors, size and age. While the study originally started with five NPOs, this was subsequently increased to nine due to the increased availability of interviewees. These interviews were conducted with the executive director or a senior management staff to understand their definition of service innovation, the motivations behind their service innovations, the process of service innovations, and key challenges they faced.

CHAPTER 4: FINDINGS

The findings of this research are discussed separately based on the two-pronged methodology. The findings from the two studies are discussed together in the next chapter.

4.1   Survey Findings

The survey sample showed that 46 (31%) of the respondents have started a social enterprise, and 101 (69%) have not. The 101 respondents who have not started social enterprises formed the sample pool of interest in this study.

Within this group of respondents who have not started social enterprises, the top 3 services provided by them are: Social Services (57.4%), Education (29.7%), and Health and Medical (26.7%). The top 3 beneficiary groups are: Youth (49.5%), Family (49.5%) and Children (48.5%). As these are multiple-responses questions, the percentage totalled more than 100%. The top 2 main sources of revenue for this group are donations (47.5%) and Grants (37.6%).

Interestingly, approximately 10% indicated earned income as their primary source of income, despite having considered their organisations as not having started a social enterprise. A large majority (69.3%) are also aware about the government funding for social enterprises. The respondents were also asked about the relative importance of factors on their organisation's decision to start a social enterprise. The results are shown in **Table 1** below:

Table 1: Importance of Factors in Starting a Social Enterprise

Factors	Mean*	Standard Deviation
Generate income for social programmes	4.16	0.869
Fulfill and meet organisation mission	3.95	0.792
Create work opportunities for existing beneficiaries	3.85	0.942
Create work opportunities for needy in community	3.84	0.977
Create new markets for products/services	3.67	1.011
Tap on grants/incentives from government	3.67	1.001
Reduce reliance on donations	3.55	0.964
Develop capabilities of Staff	3.55	0.964
Reduce Reliance on government funding	3.25	1.108

* Where 1= strongly disagree and 5 = strongly agree.

The generation of income for social programmes is rated as the most important reason (mean of 4.16). Other factors that relate to the social missions are also rated highly: fulfilling the NPO's mission (3.95), and job creation for existing beneficiaries and other needy people in the community (means of 3.85 and 3.84 respectively).

The study explored the relationship between the independent variables on intention employing multivariate regression in SPSS. The results are shown in **Tables 2 & 3** below. Three independent variables are found to have significant bearing on social entrepreneurship intention: **social cause, organisation efficacy and innovativeness**.

Table 2: Means, Standard Deviations, and Intercorrelations

Variable	Mean*	Standard Deviation	1	2	3	4	5	6
Social cause	2.5017	.74926	1.000	.172	.080	.116	-.247	.126
Efficacy	3.1139	.89828	.172	1.000	.625	.397	-.055	.501
Resource Availability	2.3102	.84361	.080	.625	1.000	.317	-.099	.329
Risk-taking	2.7591	.67350	.116	.397	.317	1.000	-.250	.328
Ambiguity avoidance	3.4620	.67160	-.247	-.055	-.099	-.250	1.000	-.073
Innovativeness	3.8663	.73448	.126	.501	.329	.328	-.073	1.000

* Where 1= strongly disagree and 5 = strongly agree.

Table 3: Regression Results

Variable	Standardized coefficients	t- value	Significance
Social cause	.335	3.937	.000
Efficacy	.289	2.467	.015
Resource Availability	-.117	-1.113	.268
Risk-taking	.089	.959	.340
Ambiguity avoidance	.077	.890	.376
Innovativeness	.272	2.852	.005

Note. R^2=.379   Adjusted R^2= .340 (N=101)

4.2   Interview Findings

Interviews were conducted with the CEO or senior staff of nine NPOs. The interviewees represent NPOs serving at-risk families (3), elderly (3), children (1), migrants and other disadvantaged communities (1) and environment (1). Of the

nine NPOs, three have been around for ten years or less, while the remaining six organisations have been established for between 17 to 58 years.

A summary of the nine NPOs is included on the next page (**Table 4**). The table briefly describes the sector in which the organisation operates, year of formation, the beneficiaries it serves, whether they considered themselves social enterprises, existing programmes that they considered as examples of service innovations, level of newness for each service innovation that they shared (i.e. whether they considered the service innovation to be new to the organisation or new within Singapore), and whether they have plans to introduce new service innovations. A detailed table is included in **Appendix A** at the end which includes key summaries of the motivation in embarking on service innovation, the process, and key challenges faced. Selected extracts which reinforce key points discussed here are included as quotes in the same table.

Of the nine NPOs, three have started social enterprises which they viewed as service innovations. Of the remaining six NPOs, two shared about their earned income programmes as examples of service innovations[11]. The remaining four organisations run direct social services which received funding from the government or from public donations.

The interviewees also considered the concept of service innovations and considered this as either an adaptation of existing ideas or a service that is new to the organisation. In fact, while all the NPOs considered themselves as having started service innovations, there was no clear pattern on the degree of innovativeness of the ideas. Generally, the respondents considered their service innovations as either new to the organisation (a new service or programme offered for the first time by the NPO), or new to the country (piloted within Singapore, and often, modeled on actual examples from other countries).

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[11] Which arguably could have been considered as social enterprises using the current definition of social enterprises as used by the government. The MCYS currently defines social enterprises as "Social enterprises are businesses which fulfill social causes. They use business principles and methods to achieve social change."

Table 4: Summary of Interview Findings with Nine Non-Profit Organisations

S/N	Sector	Year Formed	Beneficiaries	Considered Themselves Social Enterprises?	Examples of Service Innovations	New To …	Plans For New Service Innovations
1	Environment	2003	Youths	Yes	Social enterprise that promote sustainable travel by helping to customize no-frills itineraries in natural setting.	Organisation	Within the next 1 year to run workshops and use free medium (such as you-tube) to sell their cause all of which is part of their pipeline.
					Incubator space that environmentally sustainable fundamentals in their business models.	Country	
					Unusual Environmental Campaigns such as the use of flashmobs.	Country	
2	Social Services	1993	At-risk families, and significant number of elderly due to locality.	No	Programme to support multi-stressed families by working with young children as young as 3 years old through staff teams	Country	Semi-annual review of programmes on new programmes to introduce.
					Good neighbor programmes to reach out to elderly residents staying alone.	Organisation	

S/N	Sector	Year Formed	Beneficiaries	Considered Themselves Social Enterprises?	Examples of Service Innovations	New To ...	Plans For New Service Innovations
3	Social Services	1992	At-risk families	No	Helping families in distress by going the extra mile and connecting them with additional services such as jobs.	Organisation	Yes and No. Concerned about stretching resources, but plans to expand into new satellite centres within community club to better reach out to families. Also plan to reach out to schools by providing a support system for counselors in nearby schools.
					Reaching out to "Study mamas" from China.	Organisation	
					Running satellite centres within community club.	Organisation	
4	Social Services	1977	Elderly	Yes	Different social enterprise matching the elderly with adhoc jobs.	Organisation	No firm plans, but constantly on the lookout to introduce "elderly-centric" plans.
					Tie-up with an UN agency to offer training programme for professional in gerontology.	Country	

S/N	Sector	Year Formed	Beneficiaries	Considered Themselves Social Enterprises?	Examples of Service Innovations	New To …	Plans For New Service Innovations
5	Health Services	2000	Elderly	No. NPO earned income from services offered.	Hostel for residents with dementia.	Country	None. Depends on opportunities when they come up.
6	Social Services	1978	Elderly	No	Increase awareness of students by bringing them to home of the needy	Organisation	None.
					Language courses for migrant workers.	Country	
7	Social Services	1952	Children and Youth	No	Youth outreach area set up within a school, but managed by the organization to provide appropriate social support to the students	Country	No concrete plans shared but organization has regular sharings amongst staff to discuss needs on the ground and develop ideas.
8	Social Services	1974	At-risk families	No. NPO earned income from services offered.	Integrated childcare for children with learning needs.	Organisation	None. Depends on suitable ideas when they come up.
					Infant care services.	Country	

S/N	Sector	Year Formed	Beneficiaries	Considered Themselves Social Enterprises?	Examples of Service Innovations	New To …	Plans For New Service Innovations
9	Health and Other Social Services	2006	Migrants and other disadvantaged communities	Yes	Clinics that are highly subsidized and targeted for the poor and migrant workers, and linked with education and social assistance services.	Country	Exploring 3 key ideas in running a thrift shop, expanding into a new clinic, and developing service learning programmes within schools.

The motivations of service innovations can be attributed to one core reason: **relevance**. The dominant motivation of the NPOs for introducing new service innovations was to remain relevant to the needs of the community – a reason which is deemed so crucial that over half of the NPOs considered this intrinsic to the organisation's works (that is, they felt that it is their responsibilities to come up with new services so as to continuously meet the needs of their beneficiaries).

As the executive director of a NPO[12] puts it succinctly:

> *"It is very important; because new ideas allow us adjust our directions, so we can be relevant to the needs of the people. If the organisation is serving a need that is no longer relevant, it will face extinction. And especially in this global city of Singapore, we have to adjust to the changes."*

This is echoed by a director of a family service centre[13] who linked it to the fundamental mission and survival of the organisation:

> *"We need to constantly remain relevant. Because we are serving the residents around this area, so if we don't generate new ideas; if we don't develop new programmes that would solve or address their needs, I can just foresee that one or two years down the road, the FSC (Family Service Centre) would be irrelevant and worthless."*

Other reasons, which are typically echoed by two or three NPOs include:

- Volunteer Retention: *"We have volunteers who are young and we empower them by giving them projects so that they feel that they are part of the projects."*[14];

- Organisational learning: *"You find that when you serve the community and other people, you find you can gain perspective and insight larger than*

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[12] Organisation S/N 8.
[13] Organisation S/N 3.
[14] The respective quotes are drawn from a NPO whose view are fairly representative. For example, this quote is attributed to the President of Organisation S/N 1 who is interviewed.

you learned from the textbook and yourself. You learn it from another person, you learn it from the circumstances, from the context of what is happening. And so when you learn that you internalize it through your processes. So when you go back to your classroom, whatever skills you have learnt, knowledge that you have learnt from the classroom, you actually test it in the community whether it works or not, through dialogue, through feedbacks, through surveys. Then you realize that maybe this academic learning, some bits work, some bits do not work. But when you serve the community you put this skill and knowledge to the test. And then not just the community benefits, but you benefit. So when you serve you actually learn, and when you learn you reflect right. So this whole learning philosophy is very integral, very part of learning in service. Very important we feel."[15]

- Generating new income streams (through social enterprises): *"People live longer and healthier and they would have to continue to be active and there is a need to enhance their mental health and social interaction. For this reason, we run our social enterprises such as….*"[16]*;* and

- Helping to build up the repute of the NPO: *"We want to come up with new ideas that are beneficial to the needy. We want to pass the ideas to the next generation and also to other organisations.*"[17]

Two vignettes of the organisations interviewed, chosen for their commonalities with the experience shared by other interviewees, are presented here. **Exhibit 1** provides a snapshot of the organisation's motivation in service innovation while **Exhibit 2** reflects the considerations that influence a NPO's service innovation process.

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[15] Organisation S/N 9.
[16] Organisation S/N 4.
[17] Organisation S/N 6.

Exhibit 1: Enviro

> *Enviro (identity cloaked) champions environmental causes and sees its strength as its focus in the promotion of environmental issues in a holistic manner. It achieves this by sharing its expertise, resources and volunteer pool with existing local and regional environment groups. To attract and instill a sense of responsibility as a global citizen among youths, the organisation has consistently seeks to rebrand itself. It recognised itself as a "not-for-profit social enterprise" on its website.*
>
> *The President (who was the founder of the organisation) sees the process of service innovations as one where everyone plays a role. This is largely because most staff are below the age of 25, and volunteers are typically between the ages of 16 to 27 years old. He finds that one useful way to empower both staff and volunteers is to foster as many new programmes as possible to sustain a diversity of interests by engendering personal ownership. Interestingly, the organisation felt that service innovation is not an expensive process, and comes with high upside potential. This is likely because the organisation typically fosters new service innovation through non-monetary means such as allowing their name to be used in the drafting of funding proposals, or by providing office space to develop or incubate new ideas.*

From the interviews, the process of service innovations is usually described as an informal one. The trajectory of a service innovation can be described as an iterative process in the following manner:

> An idea is first proposed by the executive director or staff through a regular programme meeting, and this idea is further iterated to assess whether it meets the needs of the beneficiaries and whether it is in alignment with the organisational mission. If both conditions are met, the idea is likely to be implemented if staff are available who are willing to lead and implement the idea, and the organisation can afford to implement and sustain the new innovation.

Exhibit 2: Dove Nursing Home

Dove Nursing Home (identity cloaked) prides itself as a pioneering nursing home, which is acknowledged by the health ministry as a leader from which other nursing homes are encouraged to learn from in term of best practices. The home received the bulk of its funding (60%) from government subvention, with the remaining coming from public and philanthropic donations. Funding is not a major concern due to generous supporters and a parent organization which provides additional funding in years of deficits.

While the home is known for piloting several innovative initiatives in the care of its elderly clients, it has no formal process to develop or reward the implementation of new ideas. The introduction of new initiatives is driven by a simple premise: whether they meet the needs of their beneficiaries. There is also the personal motivation of the executive director due to her passion for the elderly as a nurse by training for close to twenty years.

The factors that she considered before each new project is implemented include: availability of funding to pilot the idea, whether there are staff that can be relied on to lead the project and possible reaction of the clients' families. The last factor is an important consideration as the home accepts a significant number of residents with early or advanced dementia, hence an important consideration for the home is in how their clients' families would perceive the project.

Lastly, the key challenges in introducing service innovations were the availability of manpower (volunteers or staff to carry out the ideas) which is unanimous amongst the respondents, followed by availability of funding and slack capacity (of current staff to take on new projects). As shared by two of the respondents on their major challenges in the service innovation process:

"Deterrent in resource; not in term of money, but in term of people. At the end of day, it's very much got to so with delivery in this sector. It is about finding people with the skills, who wants to do this type of works. It's always a challenge in this type of sector (social work)"[18]

"Manpower is a pressing issue. Because we do so many other things, like most of the time is spent on casework and counselling – that is a killer. Then we go and work within our divisions, so we are running programmes and running everywhere so we are constantly trying to find time."[19]

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[18] Organisation S/N 2.
[19] Organisation S/N 3.

CHAPTER 5: DISCUSSIONS AND LIMITATIONS

This study shows that organisation attributes affect social entrepreneurship intentions. From the surveys, NPOs that have a high perceived organisation efficacy would have a higher intention. This finding is consistent with other studies on the role of perceived feasibility on the entrepreneurship intentions (Guerrero *et al*, 2008). It suggests that the obstacles to social entrepreneurship lie within the NPOs. If the constituents within the NPOs, particularly, the strategic actors with the power and influence to shape the attitudes of the workers, do not perceive creating social enterprises as desirable or feasible, the intention to do so would be absent. Since entrepreneurship intentions are the precedent to action (Kreuger *et al*, 2000), steps need to be taken to address these attitudes. Singapore policy makers need to work on the NPOs in addition to the provision of financial incentives, if they are to see results. There are antecedents to organisation efficacy. The NPOs must possess the capabilities to embark on social entrepreneurship. The attitude associated with organisation efficacy does not stand alone but is linked to abilities, skilled workforce, and access to the necessary ingredients of market information and technology.

Innovativeness as an organisation attribute has a positive influence on social entrepreneurship intentions. This finding is consistent with the findings in entrepreneurship literature on this dimension of entrepreneurship orientation. The scale items employed for the surveys need to be improved upon as for measurement purposes there could be more than 1 item for this construct. It is a significant finding as it is a clear indication of an organisation attribute that works in tandem with the sense of ability towards an intention to start any service innovation. The development of this orientation and attitude within the organisation would aid plans to engage in social entrepreneurship or service innovation.

The non-significance of risk-taking, ambiguity avoidance and resource availability deserve some discussion as this finding is unexpected. While exploratory, the study had expected that scarcity in resources, since the respondents are mostly volunteer organisations or charities, or its availability would influence social

entrepreneurship intentions. Yet it would appear that this is not necessarily the case and that the other factors discussed earlier, of innovativeness, the social cause and efficacy have greater influence.

NPOs are not known to be risk-takers. They are more likely to prefer certainty and be conservative. Hence, these two constructs risk-taking and ambiguity avoidance suggested by prior research were examined. That these two variables were not significant is comforting as it suggests that the NPOs are not conservative or risk averse and that social entrepreneurship by existing NPOs is indeed possible. It is revealing that stereotypes of charities and volunteer organisations as being only focused on their existing programs are not justified.

The importance placed on the social cause influences social entrepreneurship intention: it has a significant influence on social entrepreneurship intention (coefficient = .335, p < .05). While it was unclear at the outset if social cause would be positive or negative in its effect on intention, analysis shows that it influences intention in a positive direction.

The qualitative part of the study with NPOs confirmed these findings. From the interviews conducted with the nine organisations, it was apparent that some respondents played a strong individual role in the introduction of new service innovations or social enterprises within the respective NPOs. Further, they generally viewed this as a collective process where success or failure hinges on whether the organisation has the right staff and the capabilities to manage these new services. In fact, it was deemed even more important than the availability of funding from the government or other donors.

As service innovations discussed during the interviews comprise of either new social enterprises or new services (the latter of which may not be income generating), it was interesting to note that the NPOs interviewed are generally receptive towards starting new service innovations and all were able to cite existing examples of what they deemed to be service innovations. The implication is that even if starting a new service brings no additional income to the NPO, but could conversely brings additional financial burden (in the absence of finding

sustainable funding sources), they would still do so if the new service is assessed to be one where beneficiaries can be better served. In short, the prevailing attitude is: *if the idea is good, the money will come*. This strongly suggests that intention is influenced by the need to remain relevant and is an intrinsic part of their social mission.

Interestingly, NPOs face a conundrum of sort. They operate in a sector where the beneficiaries usually do not pay or pay the full costs of the services that they received. This is unlike the for-profit sector where market forces dictate the product and service offerings. In this case, the personal motivation of the top leadership offers a plausible reason why some may be more inclined towards service innovations. For instance, the CEO of a NPO[20] working with children and youth shared:

> *"Ironically a lot of people find difficult to apply (in reference to service innovations), because they feel that in non-profit organization, people who come to you for help don't pay for the service. So they're not buying your service. Most of them don't have a choice when they come for your service. If someone has the need to be counseled for certain issues, they don't buy service, they just come to be counseled, you know. But despite that, I personally feel the counsellors, social workers must not take it for granted that you shouldn't give the best services possible if you can."*

The process of service innovation within the nine NPOs bears a separate mention. None has a formal policy akin to the staff suggestion scheme and "minimum quota" that is common in the civil service. The closest to a formalised structure amongst the NPOs would be regular programmes review or staff sharing sessions where new ideas are surfaced and discussed. The informal process of service innovations in NPOs implies that service innovation is very much embedded in the "DNA" of the NPOs, and that it is part of their ethos as a NPO serving the community. It is not surprising then that none of the respondents felt that a formalised process is needed.

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[20] Organisation S/N 7.

Clearly, the implication for policy makers is that they should not advocate social entrepreneurship or service innovation on the basis of pecuniary benefits that the organisation might gain. Instead, they might do better to strengthen the case that social entrepreneurship or service innovations serve as an effective mean towards furthering the organisation's goals and mission.

Similarly, NPOs seeking to embark on social entrepreneurship need to highlight to their internal and external stakeholders the manner in which social entrepreneurship/service innovation is a means to achieving the social cause. This is needful as the activities often require the involvement of other staff as team members or innovators and units in the organisation in contributing resources.

It can be argued from the findings of this exploratory study that NPOs seeking to engage in social entrepreneurship or service innovations should embark on developing their organisations in building the capabilities for enterprise activities. Being pro-enterprise in outlook and the introduction of applicable business practices will contribute to the efficacy of the organisation. Emphasising the need for innovation and innovativeness would be a help. All these comments are prefaced on the theory of intentionality.

CHAPTER 6: CONCLUSION

This study has its limitations as the survey was conducted in the early days of the availability of funding and awareness of social enterprises. There is also the use of scale items designed for this purpose, that have in the case of a number of the constructs not worked out as planned. Needless to say, there is need for further research into the development of social entrepreneurship and the identification and development of organisational factors that furthers the creation of social enterprises. The importance of the role of top management and middle management has been examined in corporate entrepreneurship. It may well be that they play an equally important role in NPOs and social entrepreneurship/service innovations. As such, future research needs to examine the influence of the training and experience of managers on the social entrepreneurship intentions of NPOs.

The interviews used the term "service innovation" to guide the interview process. This is an intuitive, but nevertheless, still an unfamiliar concept in the non-profit sector. While the respondents have generally associated social enterprises and social entrepreneurship with service innovations, the interplay between these terms deserved further research. Although the interviews were conducted with a mix of social enterprises and non-social enterprises, the sample size could be broadened to explore the definitional overlap, which is outside the scope of this study.

The social entrepreneurship journey in Singapore is still at its early stages but it is heartening to note that the nonprofit sector has seen further developments since the introduction of the SEF. Since 2003, the Singapore government has supported 73 social enterprises through the ComCare Enterprise Fund and its predecessor, the Social Enterprise Fund. By 2009, 47 of them are still active social enterprises (Ministry of Community Youth and Sports, 2009). There are other social enterprises that are not sponsored through the government funding. A study estimated that the population of social enterprises, funded or not, stood at some 150 in 2007 (Ministry of Community Youth and Sports, 2007).

Other elements of the eco-system to sustain social entrepreneurship have also been introduced. These include the training of manpower at tertiary institutions such as the Diploma in Business and Social Enterprise programme offered by Ngee Ann Polytechnic, and the social entrepreneurship module offered to undergraduates studying at the Singapore Management University since 2006. Two research centres have since been established: the Lien Centre for Social Innovation and the Centre for Social Entrepreneurship and Philanthropy at the National University of Singapore. For practitioners, the Social Enterprise Association was incorporated in 2009 to facilitate networking and training opportunities.

In the broader area of service innovations, the two lead agencies are the National Volunteer and Philanthropy Centre and National Council of Social Service. Both agencies have committed additional resources in training and developing leaders from the non-profit sector to make a more effective impact within the community.

These developments, combined with a growing interest in civic sector involvement within the general population, can only mean that in the years ahead, service innovations will gain greater prominence and enter into the bloodstream of both policy makers and NPOs in doing good better.

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S/N	Beneficiaries	Motivation	Process Of Service Innovation	Challenges
1	Youths	- Depends heavily on young volunteers (20-27 years old & 16-20 years old) hence innovative programmes needed to draw and engage them [Outreach] - Various social enterprises will help to build income stream for organisation - Moreover, there are several opportunities as organisation is in a "sunrise" industry. (easy to introduce ideas) - Learning: Organisation supportive cos ideas also create learning opportunities (e.g. learning to write proposals) [Multiplier effect] - *"The objective is to reach out to young people so as to engage them, so every project must have that. So the next criteria is how to minimize the initial costs and maximize the profits."*	- Informal but facilitated by office setup (ie. "island setup" made it easy to discuss and bounce off ideas. Even with volunteers and interns. - Most ideas are spontaneous but Founder is a key idea generator	- Getting people to buy into ideas (finding champions) - Difficulty I securing funding despite pitching to corporate/government - Difficulty in finding committed volunteers - *"Key challenge is getting the right people to buy in the project. Sometime, it is very difficult to motivate the right people when there is no money initially."*

S/N	Beneficiaries	Motivation	Process Of Service Innovation	Challenges
2	At-risk families	- So far, operating funds covered by government, other corporate sponsors and churches so no pressing need to raise funds. - Motivated by improving services so as to meet needs of community and current clients betters [Needs-driven] - Have heard about SI and felt it is about how one creatively develop services e.g. to reach out to "multi-stressed low-income families". - *"The motivation is always how we can serve people better and the constant search for more effective means that can serve the more complex clientele groups."*	- Regular review of programmes (either monthly or quarterly) by the respective staff (who are assigned cases). Ideas would then be surfaced for discussions and the relevant staff would refine it if it is good enough. - No key champion for ideas	- Bound by geography - Funding is dedicated for social services of the FSC and little slack to explore new ideas. - SI dependent on people for delivery and previous turnover of staff have caused programmes to be closed.

S/N	Beneficiaries	Motivation	Process Of Service Innovation	Challenges

3	At-risk Families	- No policies to generate new ideas. It is a given that they should do so – part of job descriptions. Arise from need for the centre to remain constantly relevant to the community. Without new ideas, the FSC is "irrelevant and worthless"
		
		- Sees SI as someone who is bold enough to identify a risk and respond to it. Also, it is about taking an existing idea and fine-tuning it.
		
		- SI has a practical perspective and linked to bread-and-butter issues for FSC. Part of culture to strive for constant improvements and deliver "extra values" to clients.
		
		- Funding not a real concern as:
		  o Government funding are available in funding new programmes (e.g. preventive programmes) but this is provided the organisation's core services are established and of good quality.
		  o They can draw on existing funding
		
		- Attitude is "just do it"
			- Organisation has 7 teams (each comprising of social workers/counselors) and each team has a function to generate new ideas and review them	- Lack of manpower as most current staff busy with current caseloads.
				
				- Programmes have to be specific within areas o f operation.
				
				- Staff retention within FSC/
				
				- Also, not easy to serve clientele as client became more demanding, possess more complex issues and are more knowledgeable. (not easy to design new programmes that work effective)
				
				- *"As non-profit, it is more bread and butter issues, more practical perspective and social work in nature, so this will shape the organizational mission and what we are here for."*

A-3

S/N	Beneficiaries	Motivation	Process Of Service Innovation	Challenges
4	Elderly	- Intrinsic as organisation is VWO. Staff's onus to question and do what is needed to keep delivering results. Dependent on the individual's attitude and commitment. - SI is definitely important as people are living longer and healthier (need to find need ways for organisation to remain relevant to them) - Some ideas also help to generate some income but income generation not a priority e.g. their social enterprise to help the elderly remain gainfully employed (e.g. as handymen), benefit the community, and generate some funds. - SI is simpy about providing a service and how best to improve that service. - *"The important factor is: is the particular service relevant? If it is relevant, how can we continue to adapt this service to the changing environment?"*	- Organisation too small to have champions – it is a collective efforts - Culture of mutual support – assisted by fact that staff are mature, experienced and responsible. - Regular staff meeting (monthly) or ad hoc basis. - Also have process of iteration of ideas with potential beneficiaries, researchers, board, other academics from network.	- Biggest challenge is implementation due to lack of staff with the right expertise. Issues also with funding the SI & availability of volunteers. - *"Success or failure depends on the implementation of the policies and to me, this is the greatest challenge: Do we have enough trained manpower to do it? Do we have enough funds? Do we have enough volunteers?"*

A-4

S/N	Beneficiaries	Motivation	Process Of Service Innovation	Challenges
5	Elderly	- Novel programmes by the organisations are driven by needs of the community. (Needs) - Possible role of faith to help others (Organisation is part of a HQ which is a Christian organisation) - Most idea driven by ED who has personal passion for the elderly. - See SI as using own resources, providing services differently to continuously meet needs.	- No formal policies, procedures for innovation or to reward new ideas/services/programmes - Most ideas are initiated by ED, and she would discuss with staff for opinions. - First priority is whether there are staff (1 or 2) who can champion the idea before she even looks for funding. Next is availability of funding. Third concern is the funding. Expertise is not an issue.	- Key deterrent is funding, availability of staff to champion initiatives, and acceptance of idea by families. - *"Some service innovations are deterred because of the availability of staff. Even if you want to do service innovations, you must have one or two persons who are willing to champion with you. Only if you have person to champion with you, then you can start to look for funding."*

S/N	Beneficiaries	Motivation	Process Of Service Innovation	Challenges
6	Elderly	- Important to have ideas that are beneficial for the needy (Needs) - Also, they want to pass the ideas to the next generation and for other organisations. (Replication by others)	- No formal reward system, it is informal recognition and certificates. - Founder and President are usually champions of new ideas.	- Key challenges are availability of funding and manpower. - Would not do SI that is already well-established and done by others if it is not necessary. - *"Our main deterrents are Lack of funding, lack of necessary manpower. If it is already performed and well-established service it may not be necessary for us to repeat it. We try to focus on those services that nobody has done before. It will be a more necessary service for needy people."*

S/N	Beneficiaries	Motivation	Process Of Service Innovation	Challenges
7	Children	- Part of core values to emphasise on innovation, teamwork. - Emphasis is not just new ideas for ideas' sake, but only if they help to improve the work process, or cut cost without compromising quality. - *"New ideas are, we don't promote new ideas for the sake of promoting new ideas. We promote ideas if the new ideas can bring in two aspects. One is if it can help to improve the work process, or if can cut cost for our organization with the same quality and same work process without compromises. So these are very basic framework that most staff would understand, when it comes to new ideas."* - See service innovation as a value adding, enhancement of a particular type of service to make it better.	- Recognition of innovation through promotion or other informal recognition. As an NPO, have to be careful about using monetary rewards to motivate people. - Despite this, strong encouragement on staff to come up with ideas. New ideas contributed also form part of staff appraisals. - Staff are encouraged by given the "ownership" of ideas, and to share ideas with peers and even seminars. - Ideas are typically generated through Centres' meetings, then bounced upwards through HODs and management meetings. ED also visits and talks to the staff often.	- Key challenges: acceptance of the stakeholders in allowing the programmes to be run (e.g. support of schools), availability of funding, legal restrictions

S/N	Beneficiaries	Motivation	Process Of Service Innovation	Challenges
7 (Cont from prev page)		- *"Basically (we are) non-profit organisation we have to be careful not to motivate people all with more monetary rewards...We give ownership to them. We allow them to share their ideas with their fellow colleagues, during meeting or seminar or conferences. We also encourage of course, frequent interaction. We also have KPIs, we review performance. Good idea is not part of KPI per se but it comes as part of the work objective for staff appraisal. In staff appraisal there are some allowance for innovation, and new ideas."*	- Most ideas tend to be generated by the frontline staff such as youth social workers, then bounce upwards through the HODs. - Promote team-driven ideas, rather than individual champions. *"No particular person. I think anybody and everybody can. So it should be a team, we like to promote it as a team rather than individual effort."*	

S/N	Beneficiaries	Motivation	Process Of Service Innovation	Challenges
8	At-risk families	- *"If organization is serving a need that is no longer relevant, it will face extinction."* - Also "recognition" from government helps motivate SI. E.g. being a centre of specialization for integrated childcare where they became a role model for other centres - Also external factors e.g. changes in the industry e.g. government pushing for higher qualified teachers. Hence, the pool of staff expertise improve and naturally quality of programmes. - See SI as new ways of offering services more effectively. *"Today's parents are different: they have higher expectations. In those days you got a child and you watch TV together and it is OK. But today it is not the case. You cannot be so passive."*	- Ideas generated through the ED's interactions and discussions with staff, from staff initiation with HODs, and other external stakeholders. - Bulk of ideas are from the operational staff (frontliners), and if there is a need, a proposal is prepared for the Board for approval to formalize. - ED generally supportive of the ideas as ideas often mean extra work for them, if they initiate the ideas, then it is likely support will be given unless against the law, organisational policies.	Availability of manpower, experienced staff. Time availability of staff, mental inertia or contradiction with beliefs.

S/N	Beneficiaries	Motivation	Process Of Service Innovation	Challenges
8 (Cont from prev page)		- *"There will be more people being easily involved, more resources being put in. If we see that clients or children are happy and their lives were touched, we carry on, whether there is funding or not."*	- Sometimes, they are also approached by government agencies to serve certain needs e.g. home help meals, integrated child care, youth outreach (projects innovative to organisation rather than sector). - Have implications in term of ease in helping to secure subsequent government funding.	

S/N	Beneficiaries	Motivation	Process Of Service Innovation	Challenges
9	Migrants and other disadvantaged communities	- Such ideas help to raise the profile of the organisation, create "momentum" within the organisation. - Part of their DNA or culture is that of an open learning community, hence their openness to ideas and learning as they are "not an expert". At the beginning of their founding, they took about one month to work out their philosophy. *"We believe that every member, every person should champion new ideas. At all levels. One of our DNA or culture is what we call an open learning community. We are open to ideas and we are always learning because we are not an expert. We are always learning and we are community because we embrace teamwork, we embrace the diversities of people."*	- Informal process - Ideas from volunteers are a "dynamic" source - Ideas also come from internal teams organized by specialization e,g. HIV, Service Learning….and these are encouraged to run the ideas. For the staff, more akin through trial and error i.e. see a problem, and solve it through a team or if not, through volunteers/partners. Resources such as people and funding would then be individually sourced by these teams. - Main platforms are through staff meetings, and informal discussions which generate hundreds of ideas everyday.	Challenges of availability of expertise. Also time constraints due to current programmes.

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S/N	Beneficiaries	Motivation	Process Of Service Innovation	Challenges
9 (Cont from prev page)		- New ideas and services are important so as to meet needs relevantly, and part of this would have to come from understanding context in the different components of society. *"Not just for our own survival but we want to meet the needs relevantly. So understanding context in the school, life of the students, in our society, different components in our society, Singaporeans, migrant workers, expatriates, locals, and foreign workers. Understanding all this context are very important. So all our ideas stem from the understanding of the contextual basis."* (Needs) - Belief in service learning, experiential .learning for the beneficiaries (students). - Associate SI with SE. See SE as a way to develop sustainability through a revenue model. Tie in with their current experience in running a clinic, and through service learning programmes with schools.	- No singular person that champion ideas. Believe that teamwork is stronger than individuals. - Some ideas come from partners such as HPB and Ngee Ann Polytechnic who are sometimes their funders. - No formal process, more a "relationship process" - The dialogue or networking sessions they did is integral to the programmes & informal. - Role of government: They would advise on the focus for schools e.g. gambling, and the organisation would generate ideas to fit these accordingly. Their role is more towards funding e.g. HPB and education programmes with schools.	