



Democracy and Management: Organizational Practices and Nonprofits' Contributions to Society

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This study sheds light on the complex interplay between sets of organizational practices and the societal roles that nonprofits prioritize. As nonprofits navigate the challenge of pursuing a social missions while operating in a market economy, many adopt managerial practices in response. This tendency of nonprofits becoming businesslike is a contested scholarly topic, with limited empirical support. Using survey data from nearly 600 nonprofits in the Vienna metropolitan region, the study examines the dynamics between organizational practices—specifically, business-like practices versus democratic ones, which may serve as a counterbalance to the potential pitfalls of managerialism—and nonprofits' emphasis on different societal roles: service provision, advocacy, and community building.

This study addresses the following research question: **How do managerial and democratic organizational practices relate to NPOs' emphasis on their societal roles?**

[#managerialism](#) [#nonprofitsocietalroles](#) [#organizationaldemocracy](#)
[#organizationalpractices](#) [#societalfunctions](#)

Background

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Context



- Key societal roles of NPOs can be identified as **service delivery, advocacy, and community building**.
- Many NPOs have increasingly adopted **managerial practices** typically associated with concepts such as **managerialism, marketization, becoming businesslike, professionalization, and hybridization**.
- The study explores six hypotheses that capture **how different organizational practices shape how nonprofit organizations understand their societal role**:
 - It examines whether **managerial practices** are associated with a **stronger emphasis on service delivery and advocacy**, and a **reduced focus on community building**.
 - It investigates whether **democratic organizing practices** are linked to a greater importance attached to **community building and advocacy**, while being **less aligned with service delivery**.
- The study draws on **survey data from 593 nonprofit organizations** in the metropolitan region of **Vienna**, collected between **2019 and 2020** as part of the international research collaboration the *Civic Life of Cities Lab*.
- Data were gathered through an **online survey of nonprofit leaders**, using a **two-step sampling strategy** that combines a representative sample of all NPOs with an additional sample of larger organizations, ensuring broad coverage across organizational sizes and fields.

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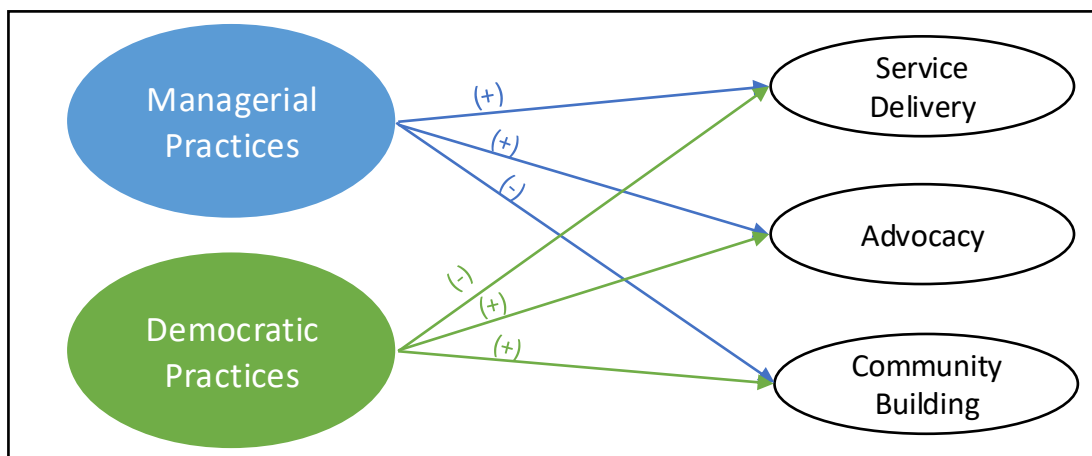
Academic articles on philanthropy through a practitioner lens

Take aways & Learnings



- More **elaborated organizational practices** generally strengthen how NPOs **define and enact their societal roles**.
- The findings underscore the **importance of balancing managerial and democratic practices** within NPOs, as each supports different but equally important societal functions of nonprofits.
- The study highlights the **challenges of maintaining democratic practices alongside increasingly managerial ones**, as a stronger focus on efficiency and professionalisation is associated with a reduced emphasis on community building.
- At the same time, the study points to the **potential for reconciling different practices** and offer insights for scholars and practitioners to capitalize on the distinctive strengths of each set of practices rather than being limited to a single set.
- Combining managerial and democratic practices may create **internal tensions between service provision and community building** in the organization. Changing people's expectations may be just as crucial as adapting practices.
- Nonprofits that **do not practice democracy at the organizational level may be less credible as advocates for democracy** at the state level and may cease to function as schools of democracy.
- **Organizational democracy is mostly learned informally within organizations** or communities. The gap between democratic organizing skills and management education might be a key reason why many people view managerial and democratic practices as mutually exclusive options.

Figure 1 Illustration of how managerial and democratic organizational practices relate to different societal roles of NPOs (own visualisation)



ERNOP Research Notes provide easy-to-read, practice-oriented summaries of academic articles on philanthropy and are written by practitioner experts. This ERNOP Research Note 2026/4 is published in March 2026 and has been written by Jonathan Gunson. More information can be found at www.ernop.eu.