

Non-profit Organizations (NPOs), distinct from the governmental and private organizations, are a main part of a country and society. Time has shown the importance of NPOs in a country. They not only affect the society, but also the economy. The changing conditions of the economy imply NPOs to innovate their structures, policies, rules and doings in order to survive better. For this innovation has always been a major characteristic of NPOs. Non-profits should understand the different factors that bring such innovations.

This study tries to analyse those factors which cause innovation and their effects on innovation. The study aims to explore the differential effects of structural, process and human factors on two types of innovations; administrative and technological.

A data set of 324 respondents from non-profit organizations has been collected through interviews with heads of the organizations and through self-administered questionnaires. The responses have been statistically analysed through regression analysis and correlation matrix through SPSS 16. The positive and negative impacts of the five independent variables upon two dependent variables have been analysed by these tests.

The results show that the factors that are favourable to technological innovations are almost the same as factors conducive to administrative innovations. Two variables; centralization and specialization are significant predictors of administrative innovation and the same two factors plus transformational leadership are significant predictors of technological innovation. Based on these results, implications for the management of non-profits and future research suggestions have been recommended.