



ASSESSING NON- PROFIT RESILIENCE

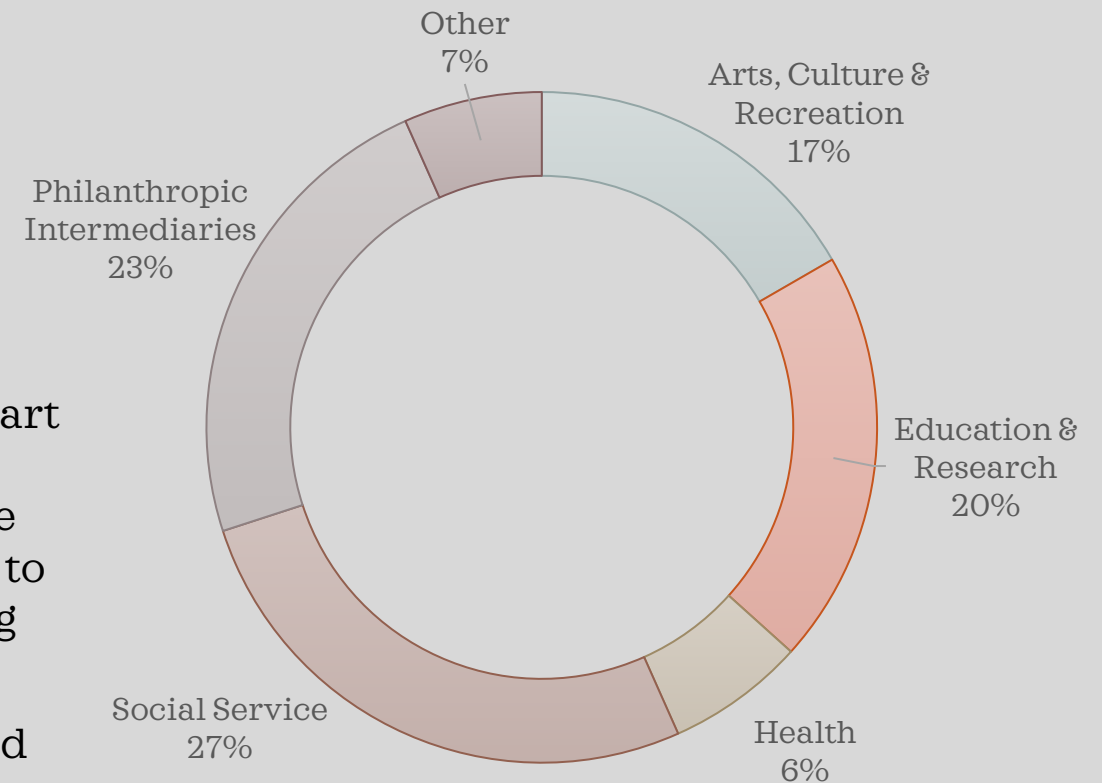
How Organizations are Responding to the
COVID-19 Pandemic

An Interim Study Update

Summary Of Study on Non-Profit Organizations (NPOs)


This study update provides highlights based on current analysis of first-round interviews. They are provided as part of our ongoing engagement studying non-profit sector resilience throughout the pandemic. This report should be taken as an interim report as the research team continues to explore the sector's response and resilience to the ongoing COVID pandemic.

The research team published a Conversation piece entitled [How COVID-19 could transform non-profit organizations](#). Dr. Brent McKnight conducted two radio interviews on this topic including [Stirling Faux's morning show](#) on Global 980 CKNW out of Vancouver discussing this piece and this research.





5 KEY INSIGHTS



Capacity
Constraints



Flexibility



Funding



Virtual
Engagement



Relationships

Constraints on Organizational Resilience

Capacity
Constraints

- Human Capacity is central to Resilient NPOs
 - People are central to organizational resilience. The human capacity of NPOs has been strained. Lean organizations with limited HR capacity found mass layoffs and intraorganizational communication difficult. Keeping up with changing COVID rules was similarly difficult.
 - Remaining employees faced significant workloads. In most cases, leadership recognizes the degree to which overwork is unsustainable.
 - Passion capital is sustaining many NPOs.
 - **Going forward:** How can organizations address the unsustainable reliance on staff?
- Mental Health of employees and communities an ongoing concern
 - Most organizations recognize the devastating toll that the pandemic is taking on the mental health of staff and volunteers within the organization. However, at the time of our first interviews, few had implemented substantive actions.
 - Organizations that directly serve marginalized populations also expressed concern about how COVID 19 was impacting the mental health of their communities.
 - **Going forward:** What are organizations doing to address mental health challenges brought on by COVID 19 within the organization?

“I think the greatest hindrance to that was realizing that some staff just couldn't do any more.”
(Arts & Culture, Participant 1)

“Mental health is definitely an issue. People are feeling really uncertain. Working remotely is becoming difficult. At first, I think it was a novelty now, not so much.”
(Social Service, Participant 3)

Meeting the Organization's Mission

- The pandemic has forced organizations to reconsider how they meet their mission.
 - Many organizations exhibited creativity in meeting their mission offering new programs, shifting program location (outside, onsite) and altering program delivery.
 - **Going forward:** How do organizations continue to meet their missions during the pandemic?
- Needing to find the “air to breathe” to build resilience
 - Many organizations find it difficult to set aside time and resources to build organizational capacity for the future.

“[F]or a long time we've spent so much time fighting that we've become overwhelmed by the fight. We've been fighting with two hands. We've never been given the air to breathe to build. We've always been in the fight... So my opinion is the way we're going to prioritize what we have to do is fighting with one hand and building with one hand.”
(Social Service, Participant 07)

Organizational Flexibility

- Few NPOs felt prepared for the pandemic
 - The majority of organizations felt unprepared for the pandemic; but also exhibited resilience .
 - Only a handful of organizations had business continuity plans in place enabling a smoother transition in the early onset of the pandemic.
 - NPOs noted the “fortuitous” recent purchase of key technologies like cloud-based computing, new software programs or similar
 - **Going forward:** Non-profit organizations should look to formalize generalized “preparedness” plans that could be used to more smoothly address future major disruptions?
- Lean into it or ride it out
 - A handful of organizations opted to “ride it out” making few changes , in anticipation of getting ‘back to normal’.
 - Most organizations adopted creative strategies and leaned into their work.
 - One organizational leader indicated their COVID approach was to “[s]ay yes to everything.”
 - Another organization expressed faith that with impact would follow income, driving forward with adaptations in anticipation that funding would follow.

*“Impact determines income. ...
Let's just get out there, keep
working hard ... we're
expanding our program in the
pandemic.”
(Social Service, Participant 28)*

A Re-Imagined Funding Ecosystem

- The pandemic has created an opening to reimagine funding relationships
 - Funders & intermediaries eased restrictions on use of existing funds and streamlined funding processes early in the pandemic. These relaxed constraints was connected with existing relationships and trust.
 - Short-term and program-restricted funding a key challenge to engaging in long-term planning and organizational capacity building; negatively impacting resilience building .
 - **Going forward:** How will the funding transformations that occurred during the pandemic shift and evolve as the pandemic eases? Will unrestricted and longer-term funding approaches become more widely accepted?
- Funders looking for an inflection point to shift gears to help the sector build back better

“So what happened, though, in the pandemic was that funders went, OK, I was going to give you a hundred thousand dollars for program X, use it as you see fit to keep the organization's doors open. For the first time in 30 years, we might be able to do a research project to say what happened with the funder's satisfaction. Were they in fact just as happy with their contribution? And when they took away all the red tape and all the restrictions, we might be able to shift the funding landscape for the next decade if we can do the research.” (Advocacy and Education, Participant 2)

Fundraising Events and Challenges

- Curtailment of event-based funding may have lasting impacts
 - COVID has compromised the ability of organizations to engage in large-scale in-person events. Most heavily hit were those organizations with events in-flight.
 - Some organizations have found creative ways to replace these events with virtual walks and rides, individual fundraisers, and video-conferencing based engagement.
 - We expect these curtailments to have a more permanent impact with non-profit organizations reassessing the value of large, expensive events such as galas.
 - **Going forward:** How are organizations re-thinking their funding models?

“The pandemic has had a profound effect on how we reach out to people to support our work beyond funders, to donors. I haven't had a pair of heels on in months, which really says something because while it's not necessarily my favorite part of the job, part of being a nonprofit is going to dinners and events and fundraisers and that sort of thing... And I will say to you that at this point, we are not feeling too gloomy about that, because I think that there was a pivot amongst donors to recognize that there was critical need in the community. And they found other ways to give, perhaps more direct ways to give. (Social Services, Participant 30)

Engaging Virtually

- Virtual Engagement with Employees – the double-edged sword
 - Organizations with technological infrastructure found the transition to virtual work smoother than others. Many stories of recent investments in technologies like laptops, software systems and cloud-based solutions like Microsoft Office 365.
 - In some cases, virtual work enhanced organizational flexibility; however, many organizations expressed concern about what virtual work loses, specifically, a lack of organizational community and “Zoom Fatigue.”
 - Disconnection from in-person work has been targeted as a barrier to long term resiliency.
- Virtual Engagement with Communities
 - For some organizations virtual connection helped to grow the communities they serve.
 - Some NPOs are reconsidering their need of physical buildings to deliver services. For others, the lack of funds to develop the kind of online infrastructure they would need is prohibitive to connecting with the communities they serve.

Relationships and Connections

- Pandemic has differentially impacted how organizations connect with their Communities
 - Organizations focused on underserved communities found communication with more transient communities challenging.
 - Organizations offering programming capable of being brought online often found increased connection with their community members and a broadened their community base.
 - In some cases, the pandemic completely hindered the ability for organizations to deliver services such as large arts performance or some in-person services.
- Connecting Laterally / Holistically
 - We noted a tendency for heightened lateral communication – among and between funders as well as among and between service providers and arts organizations. Many NPO leaders reached out to peers for advice, collaboration, and support.
 - In some cases, NPOs developed collaborations with other organizations to better respond to the changing needs of the communities they serve.
 - Across the board, organizational leaders describe heightened levels of communication.



Assessing Non-Profit Resilience in Response to COVID-19

Research Team

Dr. Brent McKnight, McMaster University
Dr. Julie Gouweloos, McMaster University

Collaborators

Mrs. Lynn Fergusson, SIA

socialimpactadvisors

DeGroote
SCHOOL OF BUSINESS
EDUCATION WITH PURPOSE

McMaster
University 

This project is supported in part by funding from the Social Sciences and Humanities Research Council (SSHRC) and Mitacs.