

Surviving a Pandemic: The Adaptability and Sustainability of Nonprofit Organizations through COVID-19

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ABSTRACT

Like many other organizations in Canada and globally, nonprofit organizations have not been insulated from the negative effects of the COVID-19 pandemic. It has affected Canadian nonprofit organizations in numerous ways. This ranges from the effects of COVID-19 on the health of workers and clients to its effect on revenue. As predominantly essential service providers, nonprofit organizations have to find ways to continue operations during the COVID-19 pandemic to ensure that no one is left to fall through the cracks in an uncertain economy.

RÉSUMÉ

Comme bien d'autres organismes au Canada et dans le monde, les organismes sans but lucratif (OSBL) n'ont pas été épargnés par la pandémie du COVID-19. En effet, pour les OSBL canadiens, celle-ci a eu des incidences dans divers secteurs, allant de la santé des clients et employés jusqu'au revenu. Les OSBL, comme ils sont à toutes fins pratiques des fournisseurs de services essentiels, doivent trouver le moyen de continuer à fonctionner pendant la pandémie afin de s'assurer que personne ne soit oublié dans un contexte économique incertain.

Keywords / Mots clés: Nonprofit organizations; COVID-19 pandemic; Essential service providers; Adaptability / Organismes sans but lucratif; Pandémie du COVID-19; Fournisseurs de services essentiels; Adaptabilité

INTRODUCTION

The COVID-19 pandemic ushered in an economic crisis that is not unlike the 2007–2008 global financial crisis. Crises such as these lead to higher poverty levels for households and a downward spiral for the aggregate economy (Skoufias, 2003). As a part of the economy, nonprofit organizations are affected by these crises. The ongoing COVID-19 pandemic has impacted how nonprofit organizations are run due to its effects on stakeholders, employees, and clients.

This article explores the effects of COVID-19 on nonprofit organizations in Canada and current reactive modes of adapting to the pandemic. It reviews current reports on nonprofit organizations to reflect on how these organizations can adapt to the crisis and to the post COVID-19 economy.

COVID-19 AND NONPROFIT ORGANIZATIONS

Nonprofit organizations have been largely responsible for caring for Canada's most vulnerable populations. As with other organizations and sectors in the economy, they have been badly hit by the COVID-19 pandemic. Unlike a lot of the other organizations, however, they must power through the pandemic on the frontlines, providing essential services to people who have been affected by the pandemic.

Pre-COVID-19, nonprofit organizations accounted for 8.5 percent of Canada's GDP with an economic activity of \$169.2 billion and an employment level of about 2.4 million (Statistics Canada, 2019). Since COVID-19 measures hit the global scene in the first quarter of 2020, 69 percent of surveyed nonprofit organizations said they were experiencing a decrease in revenues (Lasby, 2020). Out of 1,089 charities surveyed in November and December 2020, eight percent had temporarily suspended operations, 77 percent had made short-term operating modifications, and 15 percent reported running their pre-COVID-19 operations (Lasby, 2021). Regardless of where these organizations were on the survival spectrum, they were fairly pessimistic about their future post-COVID-19 (Lasby, 2021). The reactive strategies of these nonprofit organizations make a difference in how they will survive this pandemic and thrive post-pandemic.

SHORT-TERM REACTIVE STRATEGIES

There are short-term reactive points that nonprofit organizations have adopted during the pandemic to ensure adaptability and survival. One of these strategies involved making a lot of their services and organizational systems virtual, including fundraising events, stakeholder meetings, volunteering, and administrative activities (Lachance, 2020). This is particularly important for fundraising activities because these organizations barely function at a financial margin. The declaration of a biological pandemic by the World Health Organization in March 2020, just before spring fundraising season, meant a financial hit for many of these organizations. A virtual alternative had to be adopted for them to stay afloat.

A closely related reactive strategy involves organizations tooting their own horns. With the lockdown restrictions, nonprofit organizations could fall into the out-of-sight-out-of-mind trap. As a result, they have to do more virtual advertising to maintain their existing donors and get new donors. This includes making their online presence more visible through web advertisements and easy web searches.

Nonprofit organizations in Canada have also kept afloat during this pandemic by applying for public and private COVID-19 related funds. Since the COVID-19 pandemic started, about a third of nonprofit organizations have experienced staff layoffs and reductions in their working hours. This is happening as demand for their services are increasing (Lasby, 2021). As a result, many nonprofit organizations in Canada have depended on temporary government programs such as the Canada Emergency Wage Subsidy, a government of Canada COVID-19 economic response plan that covers up to 75 percent of an employee's wages so eligible employers can avoid layoffs, rehire employees, and create new jobs.

These organizations have to adopt short-term strategies while creating a new and improved version of themselves that complies with COVID-19 regulations. As essential service providers, this involves protecting the on-site and virtual staff members and clients through the provision of masks, recommended vitamins, sanitizers, disinfectants, and virtual training on COVID-19 protocols for staff members and clients. While these short-term solutions may help nonprofit organizations survive the COVID-19 pandemic, there is a need for long-term solutions for post-pandemic survival.

LONG-TERM SURVIVAL STRATEGIES

Nonprofit organizations have limited funding, which makes building a business model difficult, especially a long-term business model. To ensure sustainability, these organizations have to put plans in place for the period after the pandemic.

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The effects of COVID-19 have been extensive, including the physical effects of the illness, the financial effects of lost jobs and funding, and the psychological effects of isolation, and the post-COVID-19 world is uncertain for businesses and personal networks (Zahra, 2021). In order to be sustainable in the long run, nonprofit organizations will have to adapt to the new world system, be open to change, and manage their workforce.

Efficient workforce

In biology, strong immune systems help living organisms survive in positive and negative conditions (Ivanov, 2020). The immune system of an organization is its human resources. A long-term sustainability strategy requires nonprofit organizations to be attentive to the needs of the staff who are not immune to the effects of the pandemic, and who, as frontline workers, face higher risks of exposure. These organizations must look out for the welfare of their workforce.

Replacing workers is not costless. As a long-term survival strategy, organizations are better off caring for existing workers and adopting job-rotation among workers (Coşgel & Miceli, 1999). Through job rotation, employees perform different tasks, which promotes experience and variety. Educating workers in this way will enable them to meet the increase in demand during and after the pandemic. Job rotation is a better learning mechanism for workers than the monotony of specialization (Ortega, 2001). Since the needs of clients could range from biological to financial to psychological, workers have to be trained and armed with the right resources to meet changing demands in the uncertain new post-COVID-19 world.

Embrace technology

It remains to be seen if the shock created by COVID-19 is temporary or permanent. Technology has been used extensively during the COVID-19 pandemic (Bhusal, 2020). Canada's reaction to the pandemic has been more technology-centred, and a post-COVID-19 Canada is likely going to be technology based. As such, investments and a focus on information technology by nonprofit organizations in Canada will be beneficial for a post-pandemic world.

Embrace social media

A number of nonprofit organizations have had to spend their reserves and/or cut workers' pay just to stay afloat. Government subsidies have not been sufficient since the workload of the nonprofit sector has increased during this pandemic (Ontario Nonprofit Network, 2020). More avenues for crowdfunding, albeit virtual ones, have to be encouraged. Social media has been a useful tool for crowdfunding during periods of disaster (Gao, Barbier, & Goolsby, 2011), and as COVID-19 regulations have encouraged more virtual activities, more people have turned to social media for entertainment (Drouin, McDaniel, Pater, & Toscos, 2020). Nonprofit organizations can crowdsource on different social media platforms such as TikTok, Instagram, YouTube, and Facebook. Some of these sites are encouraged because nonprofits get paid directly by them for usage. For nonprofit organizations to be sustainable in the long run, they have to adapt to the new virtual world of social media and online crowdfunding by hiring a social media team or tapping into the social media skills of their existing workers.

Learn through it

Harvard professor and philosopher George Santayana famously said, "Those who do not learn history are doomed to repeat it." Nonprofit organizations in Canada need to document their experiences through COVID-19 and their survival strategies. They need to document and reflect on their adaptation to the new world system to ensure adaptability and preparedness during the next crisis and sustainability through the years.

CONCLUSION

The COVID-19 global pandemic has rocked Canada in multiple ways. Many nonprofit organizations have struggled to

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adapt to the reduced capital and increased demand caused by the pandemic. The survival of these organizations depends on the strategies they put in place for their capital, including their human capital. Adaptability strategies that can help weather the storm of the pandemic can also prepare these organizations for periods of calm.

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