## The Czech Republic and Non-governmental Non-profit Organizations After the Impact of the COVID-19 Crisis



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**Abstract** The period of the pandemic crisis in the Czech Republic significantly reflected the uncertainty of the time. It was characterized by the loss of the guarantee for the services of non-governmental non-profit organizations, which the public will demand and accept in the future. The period coincided with financial impacts on the running of these organizations, declining public confidence, and declining interest from supporters. The presented study, based on the secondary and mainly primary data reflecting the attitude of non-governmental non-profit organizations of the Zlin Region based on quantitative research aimed at the communication of organizations during the pandemic, has once again confirmed the still-persistent shortcomings demonstrably requiring necessary changes leading to the efficiency of the current form of communication on a professional basis. One of the ways to offer a solution to the ongoing unhappiness is the intensive cooperation of non-governmental non-profit organizations with students of marketing communications, as documented explicitly by the collaboration of the Faculty of Multimedia Communications of the Tomas Bata University in Zlin in cooperation with the Zlin Region, which enables significant assistance in the professionalization of non-governmental non-profit organizations' communication in continuity with development of the Zlin Region on the one hand. On the other hand, it strengthens the interest in non-commercial marketing among university students in continuity with their future professional classification.

**Keywords** COVID-19 crisis · Strategic marketing · Civil society · Non-governmental non-profit organizations · Higher education

#### 1 Introduction

"The COVID-19 pandemic has caused the most universal health and socio-economic crisis in recent history. According to data from Johns Hopkins University, 176 out of the 179 countries covered in the World Economic Situation and Prospects (WESP) 2021 registered coronavirus cases in 2020. At the same time, almost all of the world's Governments implemented far-reaching containment measures to slow the spread of the virus, causing massive disruptions to economic activity [1]."

The rapid and decidedly unpredictable arrival of the "pandemic" era, which not only directly or indirectly affected the personal lives of each individual, further intensified the tension in the nonprofit sector (NS), primarily affecting non-governmental nonprofit organizations (NGOs), as it brought with it the fear of complete and irreversible loss in the sharpening "necessary race" in continuity with a growing "fear of an equal chance." It has also clearly shown that "for a free and democratic society" based on the work of NGOs to function fully, "it must be supported by people of their convictions and willing to be involved in its support" [2].

With a gradual entry into the post-pandemic period, the present shows how big a test the COVID-19 pandemic has been and a challenge or even an opportunity for the nonprofit sector. It must be that it is "nonprofit organizations" that are the key element in the emergence of a strong civil society and play a key role in the transformation processes in Central and Eastern Europe, which points to the fact that "they should therefore be given more opportunities and support for communication with the public, sharing experiences, building new partnerships and further education and growth" [3]. Therefore, we can agree with the current view that the starting point for achieving this goal in this growing NGO race during the pandemic is the growing need for professionalism in marketing and promotion in continuity with innovative thinking [4]. Communication of any subject (especially an economic one) is the basis "for creating a permanent position in the national and international economic area"—"communication activities are then a link between the subject and the environment in which it operates and a bridge to those for whom its tender is addressed" [5].

The effects of new trends and technologies are increasingly reflected in the rapid development of marketing communication as part of a marketing strategy, not by changing principles but by forms and modes of transmission. It is evident that even for non-profit organizations, it is in this period that the inevitability of "aligning the interests of customers and other entities with their goals and communication strategies and tactics comes to the forefront even more prominently" [6].

This paper aims to present the efforts of NGOs to manage a given crisis in continuity with the recognition of the necessity leading not only to changing the current form of communication, whether it is the application of new communication technologies or the effectiveness of communication itself. To achieve the required efficiency, i.e., for a product or service to appeal to the most significant part of society, it is no longer enough to produce a quality product or service, but it is increasingly important to correctly communicate the product (tangible or intangible). An essential factor is thus the awareness that NGOs can currently win on the market with

a professional approach. University students with the appropriate qualifications can assist them, in innovation, strategic thinking, and creativity, representing the essential core of what NGOs should provide to their clients.

# 2 Civil Society, Non-profit Sector and Non-governmental Non-profit Organizations in the Czech Republic

## 2.1 Civil Society

Despite the heterogeneity of the concept of civil society (CS), the primary aspect is the effort to "articulate the problematic relationship between private and public—individual and social interest, private desires and public need" [7], we are talking about an area characterized by "collective civic activity" [8] in continuity with the necessity of the existence of active citizens directing their attention to the administration of public affairs, thus becoming a "generator" of the NS [9]. It presents not only the provision of a specific range of services. Still, it is also an indicator of the development of CS, in continuity with a significant impact on public opinion and its participation in social changes [10].

The CS and its organizations (CS  $\rightarrow$  NS  $\rightarrow$  NGOs) play an important social, political, and economic role in democratic countries [11, 12]. Characteristic features include "participation and action, the central features of the activity present spontaneity and activity, autonomy and voluntariness"—"with room for creativity and innovation" [13].

## 2.2 Non-profit Sector

Salamon called the civil society sector "the invisible subcontinent on the social landscape of most countries, poorly understood by policymakers and the public at large, often encumbered by legal limitations, and inadequately utilized as a mechanism for addressing public problems" [14]. The connection of nonprofit organizations with civil society, reflected in the subsequent continuity with the term "civil sector," presents a long-term terminological lack of definition of the term "nonprofit sector", which is perceived in the Czech environment in connection with the primary role of the sector. i.e., the sector, for which, unlike commercial organizations, the aim is not to profit and distribute it among the owners. Other applied possibilities can be assigned with the terms: the "third sector" emphasizing the role of the sector operating between the state and the market; a "voluntary sector" highlighting the specific role of volunteering; "non-governmental" or "independent sector" presenting the activities of organizations operating independently of the government [15].

## 2.3 Non-governmental Non-profit Organizations

Even though NS is mainly understood as a whole, its primary feature is heterogeneity. Due to the impossibility of including in the characteristics of NGOs all their diversity of activities and specifics, the primary features can be considered those outlined in the internationally shared definition of NGOs by Salamon and Anheier: 1. organization (formalized structure), 2. private nature and independence 3. non-distribution of profits, 4. self-government (internal structure), and 5. voluntariness [16].

From a broader perspective, nonprofit organizations are classified according to various criteria: (1) the founder and the legal form—public-law organization (public authorities, organizational units, and contributory organizations), public-law institutions and private organizations; (2) membership—member and non-member organizations; (3) the nature of the mission—organizations mutually beneficial and beneficial to the public; (4) the type of activities—service, interest and legal; and (5) the financing method—from public budgets (entirely, partly), from private sources, from own activities, and multi-source financing [17]. "However, it is not always easy to identify or distinguish functions that are clearly defined sufficiently in the literature or to distinguish them from other functions because many communications, goals, and activities contribute to fulfilling two or more functions [18]." The typology of NGOs in the CR was specified according to the State Policy towards NGOs in 2015–2020, in which "NGOs are presented as legal entities of private law belonging to formalized civil society structures—in addition to churches, unions, In the CR the attention NGOs is most frequently focused on humanitarian aid, sports, culture, environmental protection, and healthcare, professional chambers, political parties, and numerous informalized structures" [19]. In January 2014, a significant recodification of private law came into force. The changes brought about by this recodification have also significantly affected NGOs.

## 3 Methodology

#### 3.1 Problem Formulation

Although the Czech NS has been developing its activities since 1989, and we are talking about roughly 140,000 organizations, we still need help with the same problems. For NGOs to succeed in both pandemic and post-pandemic times, it is essential that organizations not only function and survive after their inception but also continue to develop, i.e., be able to meet the individual "stages leading to the prosperity of NGOs—1. NGO establishment (starting points and the basics), 2. Long-term sustainability strategy, 3. Qualification (PR, fundraising, marketing, economics and financial management, Leadership and people management), 4. Expansion." However, the persistent problem is that NGOs in practice very often overlook two crucial stages, the second and the third, which is possible but not sustainable in the long term [20].

However, the problem arises with the onset of the pandemic, and the unanswered question remains how great the urgency of the growing issues is and where to look for ways to solve that "unhappy" situation. The Czech OSF Foundation, part of the transnational Open Society Foundations network, surveyed the COVID-19 pandemic's impact on nonprofit organizations from 27th March to 8th April 2020. The online questionnaire was completed by 346 NGOs from all over the Czech Republic. Based on the answers obtained, the most acute problems are in the first three places: 1. concerns about the lack of funds needed to overcome the crisis period (63.85%), 2. insufficient IT support (22.16%), and 3. coaching, consulting, and e-learning (17.20%). Only 9.62% of organizations did not state any needs [21].

As already mentioned, this is associated with trust in NGOs, as evidenced by the results of *InsightLab* research for DF 2020 conducted in spring 2020 (CAWI) on a representative sample of the Internet population over 18 years of age with a quota selection of 1000 respondents. Only 3% confirmed their trust in NGOs, rather trusted by 53%, and rather not by 36%, with a decisive no of 8%. This is also related to the increased interest in the way the organizations to which they provide the monetary gift are used (definitely yes/35%, rather yes/36%, rather no/23%, and definitely no/8%), as the dominant reason why other people do not contribute to public benefit activities, there is a lack of confidence that the money will get where it belongs [22].

#### 3.2 Problem Solution

Previous research has confirmed that trust in the work of NGOs, both on the part of the public and on the part of public administration or the corporate sector, is directly dependent on the transparency of organizations and, at the same time, on their ability to communicate effectively. It could be more efficient and non-professional communication, primarily associated with a growing need for more funds, especially during a pandemic, and a declining number of volunteers and regular staff working in the NS. They are primarily experts in marketing communications, one of the "most painful" places of NGOs. It is necessary to focus on streamlining the communication, i.e., to keep an organization "seen and heard". It was the pandemic that showed NGOs that in a given crisis, the organization can no longer rely on the current feeling of certainty that the only priority in NGO activities is the implementation of the mission in continuity, with finances, ensuring the smooth running of the organization, but must realize that communicating activities and the mission at a professional level to maintain or gain the public's trust.

## 3.3 Objectives and Methodology

As secondary data has already shown, it is evident that trust in NGOs in continuity with the transparency of activities is inherent without adequate communication. In

times of a pandemic, we can even talk about maintaining the organizations' existence. In the autumn of 2022, a quantitative survey was conducted among NGOs in the Czech Republic based on completing an online questionnaire (15 closed and open questions) using the database of Czech NGOs. Thus, 621 NGOs/CR filled out the questionnaire in full. From the point of view of the presented study, the focus was primarily on the NGOs of the Zlin Region (ZR NGOs), where 124 NGOs/ZR filled out the questionnaire. In particular, representatives of associations (53.6%/CR; 68.4%/ZR) and non-profit associations (23.8%/CR; 18.6%/ZR) stood in the foreground. In terms of the focus of activities concerning the target group, NGOs dedicated to the general public (28.3%/CR; 23.2%/ZR), children and youth (24.5%/CR; 15.8%/ZR), and persons with a disability (18.5%/CR; 14.3%/ZR). As part of the aim of the presented study, answers to questions that primarily relate to the solved problem area and, at the same time, can help to set a suitable path leading to a successful goal, with a focus on the ZR NGO, will be provided.

## 3.4 Results and Interpretation

As the specification of the current problem in the field of NS showed, NGOs must still strive to strengthen (or gain) trust in society. This means focusing attention not only on fulfilling your activities but also on marketing activities. As confirmed by the research, these are still implemented intuitively in most ZR NGOs (53.6%) and consist of several other activities besides promotion. Only 22.6% of organizations are dedicated exclusively to promotion. In comparison, 12.2% of NGOs do not conduct any marketing activities. Only 11.6% of ZR NGOs carry out related activities in the full scope and meaning of NS marketing. This situation is also related to the fact that promotion is always carried out by someone who has time (56.6%), such as "externalists; activity managers; club presidents; all employees together; part-time managers; students and volunteers, etc. (3.3%)". We can find a specific marketing department in only 3.8% of organizations. However, it is a favorable answer that 24.7% of ZR NGOs already use a qualified person for promotion.

We also see why NGOs still need a marketing specialist in connection with another problem area, the ever-growing lack of funds, confirmed by 51.6% of ZR NGOs, as in another problem area, which is the need for more human resources (23.8%). According to ZR NGOs, we can also discuss the need for more specialists with knowledge of the NGO environment in the labor market (4.8%). On the other hand, 16.2% of ZR NGOs still confirmed their belief that marketing experts in NGOs are not needed in their answers. Nevertheless, in order to ensure sufficient efficiency, NGOs cannot do without professional marketing experts, the absence of who remains an endless issue reflecting the lack of effective communication of missions and activities, whether to prospective clients, potential workers, volunteers, donors, or the general public, etc. The lack of funding is also related, because "a competitive environment, including non-governmental non-profit organizations, enforces the search for new routes due to limited financial resources" [23]. However, a positive finding is that

during the pandemic, we see an improvement in implementing strategic marketing in NGOs, when almost half of the organizations (42.2%  $\times$  57.8%/ZR; 45.8%  $\times$  54.2/CR) are aware of this necessity. Although 8.8% ZR NGOs (7.6%/CR) do not agree with this and 16.4%/ZR (18.3%/CR) agree but do not consider it essential for NGOs, 23.2% ZR NGOs (25.5%/CR) already consider strategic marketing for their NGOs, and 33.4%/ZR  $\times$  36.6%/CR (compared to 18.2%/ZR  $\times$  12.1%/CR) would like to know about the benefits of implementation for their NGOs organization.

## 3.5 Impact of the Pandemic on NGOs

Many NGOs also had to change their primary activities due to the pandemic, which almost half of organizations ( $39.7\% \times 60.3\%/ZR$ ;  $44.4\% \times 55.6\%/CR$ ) confirmed. One of the significant changes was the necessity of transitioning to the online space in continuity with the change in the current way of communication. As the following results show, despite the lack of technical equipment, the extent of using online communication tools has increased considerably. Innovative communication technologies, as well as in higher education, can gradually help also in the organizational, marketing and educational processes of NGOs [24].

## 3.6 The Way to a Solution

The research also confirmed that, despite the difficult situation brought about by the pandemic, ZR NGOs are interested in expanding cooperation with the students of the Faculty of Multimedia Communications of Tomas Bata University in Zlin (64.2%  $\times$  35.8%), especially in terms of the position of volunteers (38.6%), whose declining number represents another of the problem areas. Of the subsequent essential opportunities for cooperation, the main focus is on assistance with promotion in the preparation and implementation of the organization's projects (44.0%), regular internships with an orientation on advertising and marketing (30.2%), entering the necessary analyses in the form of bachelor's or master's theses (24.4%) and more. 26.6% of ZR NGOs confirmed their current cooperation. The ZR NGOs consulted to look at the collaboration of NGOs with the academic sphere both in terms of a mutual benefit (48.8%), as well as in terms of a benefit for themselves (31.3%) or in terms of significant use for future student profiling (19.9%). They consider the willingness and diligence of the student to be a substantial contribution.

However, the Institute of Marketing Communications of the Faculty of Multimedia Communications of Tomas Bata University in Zlin (IMC FMC TBU) outlined a way to connect the academic sphere with the nonprofit sector with benefits for both actors of cooperation. At the beginning of this journey, based since 2012 on regular annual surveys focused on the activities and communication of NGOs in the Zlin Region, was the project Cooperation of Higher Education, Public Administration,

Business and Non-Profit Sector for Socio-Economic Development of the Region. Active participants in the cooperation were representatives of NS (Association of Non-Governmental Non-Profit Organizations), ZR, the City of Zlin, the Chamber of Commerce, and the Labor Office [25]. The task of the established partnership is a platform for monitoring the needs of target groups, monitoring the effective distribution of resources, exchange of experience, creation of expert studies, finding innovative solutions, projects of methodological recommendations and legislative proposals, primarily for a constructive discussion of socio-economic development and for human resources development [26].

The development of the established cooperation in solving current issues enabled students to look into the needs of ZR NGOs, acquire or expand the necessary competencies for work in a specific NS environment, or prepare for a future career. However, reciprocity is also reflected in ZR NGOs, which, on the other hand, can obtain the necessary marketing experts for their work, who can help them streamline communication in continuity while strengthening much-needed trust in the intensifying competition.

#### 4 Conclusion

The study implied that the current challenging times have significantly impacted the "life" of NGOs. It was not only about winning the competition but often about the "survival" of the organization. NGOs have become aware of the growing need for more funding, with the declining number of those helping them on their path. At the same time, the pandemic crisis confirmed the inevitability of "making oneself known" to make the public aware of what NGOs can offer even at this time and how they manage the implementation of the mission. However, it was also necessary to enhance or gain much-needed trust, which literally "forced" some NGOs to start using modern communication technologies and online management tools, which they confirmed in terms of verifying their effectiveness in the run-up to the pandemic they had not only time but no motivation for. However, the situation is also related to the fact that in the future, sizable financial support will be needed to retain employees, rent aids, and provide services, even during a possible period of isolation to survive the problem. It is, therefore, necessary to find a way not only to offer support but also to be able to look for it.

However, as the research has shown, most NGOs have confirmed the general absence of professional marketers, in continuity with the need for more relevant communication. It is no longer enough to say, "There is no money and no people", which means "no promotion". So that means the closed circle of the fact that if there is a lack of (or inadequate) promotion (and marketing), there is no money or people. Effective communication in continuity with professionalization thus becomes necessary for NGOs because, as reality confirms, the acquired and thus established habits are removed in a challenging and passive way. Cooperation between higher education and NGOs represents a particular way leading to a solution, as demonstrated by the

FMC TBU and, therefore, the IMC students. Especially for NGOs, given the already mentioned lack of funds and human capital, cooperation with the academia can be a great asset, both in terms of expertise by involving future marketing specialists in the promotion or marketing of the organization, as well as benefits in invention and creative thinking leading to numerous necessary innovations that will enable it to place its organization on the market in today's competitive struggle and to place it in such relations to its surroundings that will help to ensure its constant success, i.e., to realize how necessary applying strategic marketing in the field of NPO is.

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