ORIGINAL ARTICLE

Citation: Mikołajczak, P. (2021). What affects employment by NGOs? Counteraction to precarious employment in the Polish non-profit sector in the perspective of COVID-19 pandemic crises. *Oeconomia Copernicana*, 12(3), 761–788. doi: 10.24136/oc.2021.025

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Article history: Received: 2.12.2020; Accepted: 15.07.2021; Published online: 30.09.2021

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What affects employment by NGOs? Counteraction to precarious employment in the Polish non-profit sector in the perspective of COVID-19 pandemic crises

JEL Classification: E24; E02; J21; L31; O15; D25

Keywords: contract employees; precarious employment; barriers to activity; NGOs

Abstract

Research background: The precarious employment in non-governmental organizations has not been the subject of thorough scientific considerations so far. Meanwhile, the dominance of flexible forms of employment in an organization evokes a sense of instability, insecurity and uncertainty among employees. It weakens the relationship between staff and the organization, which, by not providing employees with prospects for permanent employment, creates a threat to its own development. The COVID-19 pandemic is reinforcing these fears as the situation in the labour market continues to deteriorate.

Purpose of the article: The purpose of this study is to identify the factors affecting NGOs employment of contract employees, as a key condition for crowding out precarious employment.

Methods: Logistic regression analysis was conducted based on a national representative survey of 1500 Polish NGOs.

Findings & value added: Its results indicate that NGOs are increasing the employment of contract staff in order to cope with the excessive bureaucracy of public administration. A stimulating impact on employment is also provided by difficulties in maintaining good staff and volunteers, as well as when there is no sense of security in running an organization. In turn, the lack of people ready to selflessly get involved in an organization's activities, as well as difficulties in accessing premises appropriate to NGOs both reduce the desire among staff to be employed full-time. The

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monitoring of precarious employment (PE) in NGOs is of key importance in the shaping and effectiveness of national policies aimed at improving the living standards of society as a whole. NGOs are an important element, as they fill the gaps remaining in the implementation of such policies. In the long term, improving the quality of full-time employment in such entities by reducing the barriers to their activity will increase their potential for fulfilling their social mission. To date, such barriers and their relation to employment have not been considered in research literature. However, a considerable proportion of employees in the Polish NGO sector may join the ranks of those excluded from employment and deprived of income due to the crisis on the job market caused by the COVID-19 pandemic. This article contributes to the existing literature and practice by identifying the influence of wide spectrum of barriers of NGOs activity on permanent employment.

Introduction

The COVID-19 pandemic has forced public administrations in many countries to introduce sanitary restrictions and regulations that impede or prevent the efficient operation of entities in all sectors of the economy. As a consequence of the pandemic, the financial condition of most of them deteriorated significantly (Luppi *et al.*, 2021; Eurofund, 2020). In turbulent times, the labour market becomes one of the first to experience serious turmoil. In the first place, people employed in flexible forms of employment that are not subject to almost any legal protection lose their jobs (Schoon & Bynner, 2017). Moreover, the use of flexible forms of employment in an organization evokes a feeling of instability, insecurity and frustration among employees (Gunn *et al.*, 2021; Lopez *et al.*, 2021; Valero *et al.*, 2020). It weakens the relationship between personnel and the organization, as it does not provide employees with prospects for permanent employment. Meanwhile, a permanent contract with an employee brings many benefits to the organization and staff. The employee is obliged to comply with the principles of cooperation, conscientiously and diligently to fulfil the assigned tasks. In addition, the employer has more control over what is happening in a given position. Although the phenomenon of precarious employment has been fairly well described among commercial entities, there is a clear knowledge gap in this regard for NGOs. Meanwhile, NGOs along with health care units are at the forefront of fighting the social consequences of the COVID-19 pandemic. Their activity is mainly based on people's work for people. At the same time, the activities of non-governmental organizations are subject to similar efficiency rules as commercial entities, and the possibility of employing contract workers is determined by many challenges. In many cases, these factors turn out to be critical barriers that affect an organization's activities in various fields, including employment. Their identification is crucial for counteracting the phenomenon of precarious employment among non-governmental organi-

zations. The author took up this challenge. Filling this gap in the literature is the main goal of this article. This paper introduces an important thread to the debate on barriers to NGOs' activity by supplementing it with the effect of such barriers on permanent employment in NGOs in the context of the precarious employment phenomenon. The study contributes to scientific theory and practice by conducting an empirical inquiry on a representative sample of entities in this sector. The study develops the institutional theory of NGOs. NGOs assume a particularly significant role in influencing the interaction between nonprofits and governments (Doh & Teegens, 2002). The author argues that the rise of NGOs as important institutional actors requires a new perspective on state–non-governmental organization interactions in an era of an increasing impact of COVID-19 on precarious employment. In the long term, it is a key challenge to limit external institutional limitations on NGOs, which are key actors in alleviating the consequences of the global pandemic.

Permanent employment of qualified staff should be directed towards pro-social activity and not focused mainly on overcoming bureaucratic barriers and overly complicated regulations for the use of public funds. The findings also contribute to the theory of human resources management, as HR management is a difficult task for all three sectors: public, private and non-profit. In the scientific debate on human resource management, two principal questions are an important subject of research: firstly, do these three sectors all struggle with a similar human resources problem? Secondly, is the increase in problems with human resources (HR) the same in all three sectors? While many studies show that all sectors face similar problems related to human resources, the seriousness of such problems is not the same (Divya & Sreedhara, 2014). Non-governmental organizations in Central Eastern European countries are faced principally with three types of challenges: related to financial resources, information and regulatory issues, and personnel (Pelucha *et al.*, 2017; Novakova, 2020; Divya & Sreedhara, 2014). Earlier studies clearly show that NGOs treat the HR challenge as the most serious (Divya & Sreedhara, 2014; Siddique, 2009; Ahmed, 2002), although the three are all related to one another and intensify each other. A majority of authors agree that employee attraction, motivation and retention in NGOs are common very difficult HR issues (see. a.g. Frontera, 2007; DeVaro & Brookskire, 2007; Divya & Sreedhara, 2014). Therefore, the verification of the hypotheses put forward in this article fills a gap in the knowledge on barriers to the employment of permanent staff in non-governmental organizations.

The first hypothesis assumes that in order to cope with the excessive bureaucracy of public administration, NGOs are increasing the employment

of contract staff, while the second hypothesis assumes that scarcity of qualified staff and volunteers motivate NGOs to employ.

The article first outlines the problem of precarious employment in scientific considerations to date. This section identifies also the main internal and external challenges of NGOs, which have led the author to identify the variables presented in the methodological section. This section also presents the study sample, the employment structure in the NGOs surveyed to identify precarious employment as well as permanent employment in the NGO sector, and the research procedure. The results section indicates which variables taken into account in the study have an impact on permanent employment in NGOs. The following section presents conclusions, limitations and recommendations for further research.

Literature review

The ongoing globalization processes are one of the main reasons for the growth of precarious employment in many sectors of the economy (Standing, 2011). Various researchers argue that flexible employment is becoming increasingly popular as a consequence of increased competition, uncertainty in the product market and production processes. In developing countries such as Poland, precarious employment is additionally strengthened by the lack of legal provisions and weaker economic potential of economic entities (Trappmann, 2011). Precarious employment covers all forms of flexible, precarious and conditional work, as well as illegal, occasional and temporary employment (Goyal, 2015). Insecure employment often includes piecework, self-employment and domestic work, including unpaid work most often carried out by women, including childcare and housekeeping (Padrosa *et al.*, 2021). Precarious employment also applies to informal employment, part-time employment, seasonal and fragmented (episodic) employment, migrant workers, students and trainees (Carré *et al.*, 2016). Precarious work is also associated by certain researchers with occasional workers or workers on extremely low incomes, temporary unemployed, casual workers and fixed-term workers (Nätti, 1993; Rodrik & Subramanian, 2004). Numerous studies indicate the precarious nature of creative work, which means precarious, unpredictable and risky employment (Van Wijk *et al.*, 2021).

Among the numerous researchers dealing with the phenomenon of precarious employment, there are many supportive voices, although the arguments criticizing the use of flexi-forms of work prevail. Supporters of labour flexibility argue that flexible workplaces are a transitional form of

leading to permanent employment and preparing workers to acquire skills (Wojčák & Baráth, 2017). Moreover, it is a way to reduce unemployment, especially among young people, immigrants and artists (Goldring & Landolt, 2009). As Andrzejczak (2015) argues, young people occupy a special position on the labour market that is unable to absorb all the graduates. Critics of precarious employment point out that flexible forms of work are characterized by a lack of stable and permanent employment, which is associated with a sense of uncertainty in the future resulting from the desire for basic economic security (Gunn *et al.*, 2021). Precarious employment usually means poor terms and conditions of employment, short tenures do not elicit commitment on the part of workers, weaken the bargaining power of even regular workers, and are often associated with poor pay (Trlifajová, & Hurrell, 2019; Spyridakis, 2019). Flexible forms of employment are also associated with lower levels of training investment compared with standard employment (Draca & Green, 2004). Precarious employment is also important for non-profit organizations. Flexible employment forms used in the commercial sector decrease the retention of volunteers in non-profit organizations. As a growing number of people are not covered by secure employment in the globalized economy, it can be expected that the influence of this job uncertainty on the growing difficulties in volunteer retention will expand (Stefanick *et al.*, 2020; Warner, 2011). Therefore, non-profit organizations focused on increasing the share of contract employees can avoid many threats relating to the decrease in number of volunteers, the outflow of qualified paid staff from organizations or the low ability to achieve their social mission (Huntley, 2019).

Numerous studies devoted to the activities of non-governmental organizations indicate that institutional barriers are among the most crucial external challenges faced by NGOs in Central Eastern European countries; this includes interference by public authorities, and excessive bureaucracy or formal difficulties in raising public funds (Baciu, 2014; Pelucha *et al.*, 2017; Novakova, 2020). On the other hand, the most frequently indicated internal constraints relate primarily to limited capacity in terms of human and financial resources, organizational credibility and the lack of a sense of operational security (Harir, 2015; Zimmer & Pahl, 2016; Batti, 2014). Scientists argue that organizations find it increasingly difficult to cope with institutional requirements (Zimmer & Pahl, 2018). They point to complicated and restrictive rules and regulations for accessing government funds (Mikołajczak, 2021). Many authors stress that since NGOs are largely dependent on public aid, they must contend with complex procedures and public requirements when applying for financial support (LeRoux, 2005). For example, organizations from CEE, including Poland, face numerous

barriers in accessing public aid, especially from EU funds (Mikołajczak, 2018; Pelucha *et al.*, 2017). These barriers mainly relate to complex application documentation and restrictive financial planning. In turn, Davies (2013), examining various conditions of access to government funds, indicates, *inter alia*, overly intricate institutional procedures, complicated regulations and excessive bureaucracy. Similarly, Brinkerhoff (2004) argues that the bureaucratic approach of public authorities is an important barrier to the activities of NGOs. The author suggests that reducing bureaucracy and eliminating unnecessary regulations may contribute to the sustainable development of non-governmental organizations. Tataryn (2020) identifies the relationship between labour regulation and the most precarious of workers.

Another aspect closely related to institutional challenges to an organization's activities is the interference of national authorities (Čada & Ptácková, 2017), which depends, on the one hand, on the political climate (Campbell *et al.*, 2019), the attitude of the government and the perception of non-governmental organizations (Ritvo *et al.*, 2013), and on the other, on extensive bureaucracy for NGOs and restrictive control of their activities (Harris & Kor, 2013). Batti (2014) argues that government policy and the political climate increase bureaucracy in those non-governmental organizations that mobilize resources outwardly. The author points out that in the event of political and economic instability, donors will either not release funds or will limit or enforce stringent measures. Similarly, Harir (2015) claims that unfavourable perceptions of non-governmental organizations lead to the deregistration of some organizations or limits on access to external funds. Therefore, a tangible solution should be sought between the state and the non-governmental organizations (Pranoto, 2020).

A key internal challenge faced by NGOs is the considerably limited capacity of NGOs in terms of human and financial resources (Batti, 2014). Divya and Sreedhara (2014) state that employee attraction, motivation and retention in NGOs are significant HR issues. Ensuring sufficient skilled workers and volunteers, as well as an ability to obtain adequate funding or resources remain elusive for many organizations. Technical support from qualified full-time personnel is necessary in order to apply for and account for applications submitted for public funds (Tierney & Boodoosingh, 2020). Another problem that arises is that of discouragement and burnout among people working in organizations struggling under chronic uncertainty with regard to their activities, and under the constant threat of a lack of money (Gilstrap *et al.*, 2019; Nisar *et al.*, 2017). Similar findings can be found in the work of Frontera (2007), who states that factors for low employee motivation and high turnover are low salary, job insecurity, em-

ployment opportunities elsewhere, lack of personal safety and security, lack of respect and appreciation, under employment, lack of development opportunities, etc. DeVaro and Brookshire (2007) argue that non-profit organizations were less likely to use good wage systems, incentives to motivate workers and promotion. The authors emphasize that although financial incentives are not considered as a significant tool in the work environment of NGOs, the financial aspects cannot be ignored as an important factor that reduces the turnover problem in organizations. A similar statement can be found in the article by Zaman (2011). The author proved that non-profit employees should be motivated by awarding them a tangible reward in order to increase their organizational commitment.

The optimistic attitude and motivation of employees are key in obtaining funds from private donors, and determines the level of trust in the organization. Since the credibility of organizations is largely built by themselves and shapes the relationship between NGOs and their donors, on whose generosity most organizations strongly depend, it therefore takes on a financial dimension (Anheier *et al.*, 2019; McGann & Johnstone, 2005). A decline in the organization's credibility could lead to donors reallocating to other areas (Davis *et al.*, 2020; Snelgar *et al.*, 2017). This is confirmed by the findings of other authors, who prove that the good image of organizations, combined with trust in them, translates into greater involvement in their work and cooperation between all stakeholders, including volunteers, to the benefit of the organization (e.g. Tremblay-Boire & Prakash, 2017; Hudson, 2002; Will & Pies, 2017).

Table 1 systematizes the current knowledge on external and internal barriers to NGOs' activity gathered from the literature. Synthesizing their discoveries in this field, the main external barriers to the activities of NGOs are institutional limitations, including interference by public authorities, excessive bureaucracy, competition for resources between NGOs from the same sector or considerable dependence on the support of public donors. On the other hand, the most frequently indicated internal limitations relate primarily to limited human and financial resources, organizational credibility and the lack of a sense of operational security.

Research methodology

The data used in the analysis was obtained from the Klon / Jawor Association, which jointly commissioned Kantar Millward Brown in 2018 to carry out a nationwide survey on a representative sample of 1,300 Polish foundations and associations. Data on 1,100 organizations was gathered using the

CAWI technique (Computer-Assisted Web Interview). The Klon / Jawor Association conducted the CAWI study. Emails were sent inviting the organizations selected to participate in the research. In addition, they were reminded by phone and encouraged to participate in the study. The respondents were people who held key positions in their organization including board members and directors, and who had a good knowledge about its situation. Data collection was conducted confidentially. Contact details for the organizations, which were obtained from spis.ngo.pl, were verified and supplemented with data available on the Internet and information from local non-governmental organization representatives. The CAWI survey was conducted from May to September 2018.

The logistic regression model elaborated for this paper is intended to determine the probability of NGOs employing contract employees, depending on 14 selected independent ordinary variables contained in the questionnaire, where they were operationalized on a five-point scale according to their intensity. The degree of intensity of each barrier was measured in the survey on a five-point scale. Respondents could choose the answer 1, which meant that the barrier was definitely noticeable. The answer 2 depicted that a barrier was quite noticeable. In turn, the answer 3 meant a rather not noticeable barrier and 4 — definitely not noticeable. Respondents also had the choice to select the answer 5 — it's hard to say. The scope of barriers includes 7 external barriers (EB1–EB7) and 7 internal barriers (IB1–IB7) presented. The external barriers to activities of NGOs include, first of all, institutional limitations (EB1–B4); barriers related to the interference of national authorities (EB5); competition among NGOs and scarcity of cooperation (EB6 and EB7). Internal barriers relate to capacity limitation within organizations (staff, funding and technical infrastructure) (IB1–IB5), transparency, credibility and a sense of security (IB6 and IB7) (see table 2).

The possibility of predicting NGOs employing contract employees (E) was defined as the probability based on survey results of NGOs falling into one of the two binary classes (0 — employment of contracted employees did not occur, 1 — NGOs employ contracted employees).

Logistic regression is a method used in the classification of problems when the variable requiring explanation is on a dichotomous scale. The applied model determines the probability of NGOs employing contract employees. The aim of the non-linear regression model is to explore the relationship between a range of independent variables and one dependent variable with the value of 0 or 1.

The suitability of the model obtained for the data was assessed through use of a χ^2 test. A 5% risk of error of inference was assumed, as well as a related significance level of $p < 0.05$, demonstrating the occurrence of

statistically significant dependencies. The Hosmer-Lemeshow test was used to assess the quality of the applied logistic regression model, as the zero hypothesis of the test is a good fit for the model. This test compares the calculated probability values with the observed values of the investigated phenomenon of NGOs employing contract employees. A collinearity analysis was also conducted of the explanatory variables in order to verify the correctness of the model, whose effect is expressed by the VIF factor (variance inflation factor). An assessment was also conducted of factors affecting the likelihood of NGOs employing contract employees using the unit odds ratio (OR_i), which takes on higher, lower or zero values (see Table 4). The confusion matrix method was then employed to evaluate the constructed probability model's predictive ability. The matrix consisted of dimensions representing the number of decision classes ($k \times k$, where k determines the number of decision classes). The rows of the matrices represented the correct — observed — decision classes, while the columns displayed predicted decisions. The confusion matrix employed in this study is presented in Table 5.

The subsequent stage of the research process was analysis of the number of true (TP) and false positive (FP) cases, as well as of the number of true negative (TN) and false negative (FN) cases. This analysis was applied in order to evaluate the predictive capabilities of the obtained models on the probability of NGOs employing contract employees by means of the measures: precision or positive predictive value (PPV), negative predictive value (NPV), likelihood ratio (LR), Accuracy accuracy (ACC), and sensitivity and specificity (see Table 6). The above measures were used to assess the effectiveness of the constructed model. The features of the research methodology presented here clearly indicate that the methodology and its findings are strong. The next stage of the research was to conduct analysis of employment structure in the Polish NGO sector.

Results

This analysis indicates that only 23.7% of NGOs employed contract employees, while 30.5% of NGOs used employees on a permanent and regular basis (at least once a week). These employees were not employed under a contract of employment, but were either on repetitive civil contracts or commission contracts, or they provided work to the NGO as part of their own business activity. Over a third of the NGOs (36.8%) had permanent employees to whom they occasionally assigned specific activities. In turn, almost half of the NGOs (47.8%) outsourced work intermittently to people

they did not cooperate regularly with (e.g. one-off civil contracts, commission contracts) (see Table 3). In the case of NGOs that employed employees under a contract of employment, there was much more frequent use of various forms of flexible cooperation either under a civil contract or a commission contract, or through the outsourcing of tasks to self-employed persons conducting business activity. In total, 63.2% of organizations employing on the basis of an employment contract either engaged employees under repetitive civil contracts or commission contracts, or outsourced tasks to persons who, as part of their business activity, regularly carried out specific activities for NGOs. Such forms of employment were used by only 20.3% of organizations without contract employees. Also, 65.9% of NGOs that employed under a contract of employment engaged permanent associates, from whom they occasionally (several times to a dozen times a year) commissioned activities for payment (e.g. in the form of a civil contract, a commission contract or other contract). This compares to only 27.6% of organizations without employees under a contract of employment. A similar percentage of NGOs (69.4%) that employed under a contract of employment from time to time commissioned paid activities from persons who did not cooperate with the organization regularly (e.g. only on one-off civil contracts, commission contracts or other contracts). This compares to 41.1% of NGOs without employment contracts (see Table 3). The results of the analysis confirm the presence of precarious employment among Polish NGOs. Of the NGOs surveyed, only slightly over 20% employ staff on employment contracts. The vast majority made use of flexible civil-law contracts, and of these almost half exclusively engaged people occasionally on one-off commission contracts and for civil contracts. The study showed that the more flexible a given form of employee involvement proved to be, the greater the number of NGOs that used it.

As mentioned above, logistic regression was carried out to determine which factors are significant and influence an NGO in employing contract employees. A binary variable was used in the logistic regression analysis, that is NGOs employing contract employees, together with the explanatory variables EB1 to EB7 and IB1 to IB7. Only variables EB2, IB1, IB2, IB5, IB7 were shown to determine the probability of an NGO employing contract employees. The model achieved a χ^2 test value of 34.99, with a p-value of 0.01, meaning it is statistically significant. Actual data is also accurately reflected by the model (the Hosmer-Lemeshow test indicates a p-value of 0.46). The logistic regression statistics are presented in table 4.

The collinearity analysis suggests no problem of correlating independent variables, as the VIF factor for the variables is not higher than 1.9. The model is therefore described by the formula 1.

$$E = \frac{\exp(-1.446 + 0.2645 EB2 - 0.302 IB1 + 0.259 IB2 - 0.3698 IB5 + 0.2292 IB7)}{1 + \exp(-1.446 + 0.2645 EB2 - 0.302 IB1 + 0.259 IB2 - 0.3698 IB5 + 0.2292 IB7)} \quad (1)$$

where:

- E the probability of NGOs employing contract employees,
- EB2 excessively developed bureaucracy of public administration,
- IB1 lack of people ready to selflessly get involved in the organization's activities,
- IB2 difficulties in maintaining good staff and volunteers,
- IB5 difficulties in accessing premises appropriate to the organization's activities,
- IB7 lack of a sense of security in running an organization.

The logistic regression analysis showed that variables EB2, IB2, IB7 increase the probability of NGOs employing contract employees, as the model coefficient parameters came to 0.2645; 0.259; 0.2292. Variables IB1, IB5 resulted in a little fall in the probability of an NGO employing contract employees, as their estimator parameters are -0.302; -0.3698. The model indicates that the likelihood of an NGO employing contract employees, increases with excessively developed bureaucracy of public administration, difficulties in maintaining good staff and volunteers, as well as there being no sense of security in running an organization. In turn, lack of people ready to selflessly get involved in the organization's activities and difficulties in accessing premises appropriate to the organization's activities decrease the probability of an NGO employing contract employees. The remaining variables taken into account in the analysis are EB1, EB3, EB4, EB5, EB6, EB7, IB3, IB4; IB6 does not influence NGOs employing contract employees ($p > 0.05$). The error matrix method was applied in order to verify the predictive power of the prepared probability model of an NGO employing contract employees, (see table 5).

There are 9 observations of true-positive cases (TP), while for false-positive cases (FP) there are 11 observations. The total of true-negative cases is 663, while for false-negative ones (FN) it is 209. To evaluate the model's predictive ability, the results of the error matrix and the following measures were used: precision (PPV), negative predictive value (NPV), likelihood ratio (LR), accuracy (ACC), sensitivity and specificity (see table 6).

The model successfully recognizes two out of three NGOs (PPV is 45%). The likelihood that the organization was determined as employing contract employees with a negative result is 76.03% (NPV). The ratio between the chance that a positive E test result will be achieved by NGOs

from among the group of those employing contract staff, and the probability that the same effect will be seen among organizations not employing contract employees is 2.53 (LR). The accuracy of E (ACC) is 75.34%, meaning that the model correctly shows 6 out of 10 cases of NGOs employing contract staff. The E model is able to detect contract employees, in the analysed group of NGOs employing contract employees (sensitivity) in 4.13%. Meanwhile, specificity, i.e. the ability of the E test to exclude NGOs employing contract employees is 98.37% (see table 6).

Discussion

Long term implications of the research

Institutional barriers to the activity of non-governmental organizations are of particular importance in their activities in developing economies, especially countries of Central Eastern Europe such as Poland (Mikołajczak, 2021; Pelucha *et al.*, 2017; Novakova, 2020; Baciú, 2014). Pospíšil and Hyánek (2009) notes that in the ‘postcommunist’ model of providing public services, governments are unwilling to give up the monopoly of public and state organizations and recognise the non-profit sector as an alternative and independent service provider. Suykens *et al.* (2020) stress that institutional and regulatory barriers, as well as organizational contingencies in CEE countries influence the dependence of non-profit organizations on resources and their commercialization. They also affect the possibilities non-profits have in fulfilling their social mission (Novakova, 2020). However, the institutional environment comprises a set of very complicated norms and behaviours that are difficult to change in the short term, and which very often require legislative action that might only become visible over a long period of time (Beunen & Patterson, 2016). This research suggests that it is necessary to change the trajectory of public authorities’ policies so that they facilitate the functioning of Polish NGOs, particularly in terms of their use of public funds, which constitute the vast majority of financing of Polish NGOs. Excessive bureaucracy at all stages of obtaining and settling subsidies requires qualified staff to struggle with very complicated bureaucratic norms and regulations.

Moreover, as socially oriented entities, NGOs operate in a condition of high human resource dependence — both paid and voluntary staff (Divya & Sreedhara, 2014). As this study confirms. Polish NGOs suffer from a scarcity of qualified staff and volunteers, which motivates them to employ staff. This strategy of Polish organizations is highly justified. As Das

and Baruah, (2013) stress, the long-term success and performance of organizations are dependent on their ability to employ and retain the best employees. However, low pay and very limited opportunities for career growth restrict non-profit organizations from retaining a talented workforce (Brown *et al.*, 2004; Scott *et al.*, 2012). Employee retention and turnover are a crucial HR challenge in non-profits (Munn, 2018). Employee retention is a significant method for improving results because it significantly decreases operational costs (Hancock *et al.*, 2013). Lower employee turnover increases improvements in organizational performance (Shaw *et al.*, 2013) and decreases significant training and orientation expenses involved in hiring new workers (Cho & Lewis, 2012).

The background to COVID-19

A range of studies show that it is highly likely there will be a rise in PE due to the COVID-19 pandemic. Experiences observed during the 2008 financial crisis confirm that an increase in unemployment will most certainly be followed by an increase in PE. In turn, employees may experience long-term difficulties on the job market. Matilla-Santander *et al.* (2021) identified several groups of employees most at risk of PE due to COVID-19: (1) is the group defined as the ‘barrier generation’: young employees whose training or education were interrupted. They are forced to undertake uncertain, low-paid work with limited working hours. (2) are employees who already had uncertain employment before the pandemic, and who due to their limited bargaining power may be faced with an even more uncertain situation. They may be treated more unjustly, as well as overworked or exploited. (3) are PE employees who may face unemployment without receiving official redundancy, the right to benefits and may have limited access to healthcare, for example due to their temporary contracts not being renewed or because of a reduction in their working hours to zero. (4) PE may also be a factor that discourages employees from taking health check-ups and may generate new COVID-19 outbreaks. Since PE employees often do not have access to paid sick leave, they will be forced to work while ill, in order to avoid loss of income or employment, which will additionally accelerate the unequal spread of COVID-19. What is more, as shown by Ahmed *et al.* (2020), many PE employees still work in environments that lack appropriate antivirus and safety measures, which increases the risk of infection, mainly among PE employees and their families.

The author has shown in this article that in Polish NGOs, a significant percentage of employees are employed on flexible and temporary forms of employment, which due to the crisis caused by the pandemic may in the

long term lead to such people being excluded from the job market. Munn (2018) claims that ‘Individual development plans (IDP) may constitute a pattern for ensuring that satisfaction and long-term retention of employees are both achieved. A comprehensive IDP system closely connects employees and non-profit organizations in achieving their common aims of involvement, engagement, development and retention’¹. However, it would appear that to support organizations in employing and retaining employees, particularly in times of crisis, barriers to the activities of organizations should be limited. This will create solid, lasting conditions for the development of employment, while at the same time preventing NGO employees from being pushed into precarious employment.

It is not surprising that this study indicates that most NGOs in Poland declare difficulties in excessively developed bureaucracy of public administration as a barrier to their activity. This is in line with the studies of other researchers who explore nonprofit sector (see e.g. Novakova, 2020; Lee *et al.*, 2012; Pelucha *et al.*, 2017; Schierup, 2016; Vasan, 2004; Scott *et al.*, 2012), particularly in COVID-19 pandemic (Finchum & Mason *et al.*, 2020; Grønbjerg *et al.*, 2020; Matilla-Santander, 2021). However, the results of this research confirm that the bureaucratic environment favours full-time employment in NGOs. The numerous of authors also indicate that acquiring qualified employees causes many difficulties for non-governmental organizations (Stefanick *et al.*, 2020). Researchers indicate that this is principally because of the high salary requirements of people with high professional qualifications in contrast to the often limited financial possibilities of non-profit organizations (Armstrong *et al.*, 2009; McDonald, 1997). Moreover, NGOs face difficulties in retaining qualified staff (see e.g. Bach-Mortensen, 2018). Although, this problem characterizes also Polish NGOs, as this study indicates, the fear of losing qualified staff motivates NGOs to employ them on permanent contract. The COVID-19 pandemic may reverse this relationship and increase the willingness of NGOs to engage workers on elastic forms of employment, as NGOs will not be willing to hire people on a contract of employment to reduce operating costs that is in line with expectations of leaders of NGOs, indicated in several research (Deitrick *et al.*, 2020; Grønbjerg *et al.*, 2020; Finchum-Mason *et al.*, 2020).

A substitute role for permanent staff is played to some extent by volunteers, therefore many organizations strongly compete for experienced volunteers (Randle *et al.*, 2013; Mikołajczak & Bajak, 2021; Word & Sowa, 2019). This study proves that the lack of people ready to selflessly involve themselves in an organization's activities decreases the probability of employing contract workers, which in the face of the declining trend of the

number of people disinterestedly willing to get involved in the activities of the organization is a real challenge for them; in addition, the risk of contracting COVID-19 may reduce the opportunities for disinterested support of the organization by personal direct actions (Díaz, 2020). In this context, it should also be noted that rapidly increasing number of infected people may also cause a strong feeling of powerlessness, and consequently — burnout of paid staff and volunteers engaged in preventing undesirable effects of COVID-19 (Deitrick *et al.*, 2020; Schoebel *et al.*, 2021).

Although the research results indicate that this phenomenon is irrelevant to employment in NGOs, the scale of the pandemic is unprecedented. This is visible especially in last research indicating significant problems associated with the enormous burden of employment and the rapid lack of volunteering (Finchum-Mason *et al.*, 2020). State aid may have a mitigating effect on the presented difficulties with employment. As some researchers state, there are some public funding opportunities for NGOs in response to the global COVID-19 pandemic (Tierney & Boodoosingh, 2020). However, there is a risk that they will turn out to be a drop in the ocean of needs,

Conclusions

The world is still suffering from the COVID-19 pandemic. NGOs can possibly counteract some of the direct consequences of pandemic as well as meet the needs of societies most affected by COVID-19. The mobilization of significant human resources in organizations is crucial in reaching those most in need. It is particularly difficult task in a situation of deteriorating financial situation of organizations, a growing feeling of helplessness exacerbated by the growing number of illnesses, technical and financial limitations. However, NGO literature has not sufficiently explored nor described the factors affecting employment in NGOs through empirical studies. Thus, the role of barriers to NGOs activity in employing contract employees in general and in particular the phenomenon of precarious employment has neither been fully recognized nor utilized. The author has researched the link between external and internal constraints of the NGOs activity and employment trying two to answer the question how to counteract spreading phenomenon of precarious employment.

The prevailing use of unstable and flexible contracts in the employment structure of the NGOs surveyed must be a cause for concern. Only a small percentage (every fifth organization) employs staff on a contract of employment. The results of the study find supporting evidence that difficulties in maintaining good staff and volunteers are a factor stimulating full-time

employment in the NGOs surveyed. The findings suggest that the organizations are aware that if they want to keep people in their organization, it is crucial to offer them permanent employment, while providing them with prospects for stability and security. The retention of a qualified employees in an organization is all the more rational and justified as organizations invest financial and non-financial resources in employees. Therefore, they should be interested in keeping these people in their organization for a long time.

Further, in the context of COVID-19, permanent contract supports the workers' sense of security who fear that their livelihood vanishing with the crumbling economy. The discussion on precarious employment should go in the direction of deeper clarifying these results, especially since the COVID-19 pandemic brought about the most stressful year in recent history and negatively impacted 78% of the mental health. employees worldwide (Oracle & Workplace Intelligence, 2020).

Moreover, it is interesting to note that the results of the study confirm a lack of a sense of security in running an organization significantly affect the organizations to employ contract employees. Intuition suggests that the relationship should be the opposite. To relate these results to for-profit entities, for obvious reasons the lack of a sense of security usually causes completely opposite reactions among such entities. Lack of a sense of security in commercial entities results in reduced employment and/or the search for alternative solutions to employment contracts, aimed at reducing employment costs and loosening formal relationships with employees. The increasing tendency of NGOs to employ in the face of insecurity may stem from an NGO's social mission taking priority over its financial results. Therefore, non-governmental organizations try to secure human resources, which are mainly used for pro-social activities. Paradoxically, confirming the second hypothesis, the results of the study indicate that excessively developed bureaucracy of public administration is a determining incentive for hiring people full-time in the NGOs sector. The logical conclusion is that strongly dependent on state aid NGOs want to meet the bureaucratic requirements in their relations with public authorities, and for this they need permanent employees, usually with high qualifications and wage requirements, who are difficult to attract to organizations (Eikenberry *et al.*, 2007).

Summing up, NGOs are experiencing both functional expansion of their role and growing resource competition, in particular in times of the pandemic. Facing these two challenges at the same time will become a major issue for NGOs in the future. In the long term, their ability to deal with this will depend strongly on the barriers that NGOs' meet to their activity. It will also determine their ability to support society battered by COVID-19

society (Olding, 2021). In turn, the efficiency in delivering services will depend on highly motivated staff involved in working in an organization. As employers, non-governmental organizations struggle with various aspects linked to limited human resources, mainly related to the remuneration, motivation and retention of employees and volunteers. The role of an NGO as an employer is particularly difficult due to limited financial resources and the aim of NGO activity in fulfilling a social mission (Divya & Seedhara, 2014). As Brown *et al.* (2004) state, people compensate for these inconveniences to some extent as they are attracted by the honourable mission of the organization and the work environment of NGOs.

This article fills a specific research gap in the theory of NGOs by explaining the influence of a wide spectrum of internal and external barriers on permanent employment. It provides guidelines for public authorities and leaders of non-profits on what necessary changes should be made in the long term to limit the pressure of precarious employment in the NGO sector, particularly against the perspective of the damaging impact of COVID19 on the labour market. The third sector is seen as a response to the failures of the state and market in addressing the unsatisfied needs of society, and occupies the sphere between the state and the market.

The current paper also opens new fields of specific research on the long term directions in counteracting precarious employment in nonprofits. It also broadens the knowledge of system solutions for attracting, motivating and retaining employees in non-governmental organizations sought by practitioners managing non-profit organizations. The organizations struggled with these difficulties in "normal times". The period of the pandemic will certainly worsen them considerably.

This study has some limitations. The impact of certain restrictions on the employment of contract staff by NGOs varies depending on an organizations' legal, institutional and social situation in specific countries. Moreover, factors other than those included in the study certainly have an impact on precarious employment. The consequences of the COVID-19 pandemic are extremely difficult to predict. Certainly, NGOs will verify the conditions in which they will operate after the epidemic. The changes in the way of performing work should also be expected, resulting, among others, from the acquired knowledge about remote work, which may affect the perception of the labour market and the approach to precarious employment. Further observations and research in this area are necessary.

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Acknowledgements

The project financed within the Regional Initiative for Excellence programme of the Minister of Science and Higher Education of Poland, years 2019–2022, grant no. 004/RID/2018/19, financing 3,000,000 PLN".

Annex

Table 1. External and internal barriers of NGOs' activity in the literature review

External barriers	Note
Normative isomorphism is closely related to pressure from the authorities and imitation of the activities of other institutions.	Hersberger-Langloh. (2021)
Unfavourable perceptions of NGOs lead to the deregistration of some NGOs or limits on access to external funds.	Mymunah (2015)
NGOs in Poland suffer from problems of extensive bureaucracy of public administration and the weariness of leaders.	Charycka and Gumkowska (2018)
Non-profits indicate that reduced restrictions and more flexibility in current government funding streams are critical at the time of COVID-19 pandemic.	Finchum-Mason <i>et al.</i> (2020)
Organizations have significant difficulties to cope with institutional requirements.	Baciu (2014)
Organizations point out complicated and restrictive rules and regulations for accessing government funds.	Mikołajczak (2018)
A limited scope of financial sources and a lack of interest of banks to provide the availability of loans are main constraints to the development of entrepreneurial NGOs in Czech Republic.	Pelucha <i>et al.</i> (2017)
Organizations from Central and Eastern Europe face numerous barriers in accessing public aid, particularly from EU funds. These barriers mainly relate to difficult application process and complicated documentation.	Mikołajczak (2017)
Government policy and the political climate increase bureaucracy in those NGOs that mobilize resources outwardly. The event of political and economic instability, donors will either not release funds or will limit support or enforce stringent measures.	Bati (2016)
Competition between mission driven and market driven organizations leads to a decrease in standards provided by mission-driven NGOs.	Poret (2016)
Various conditions of access to government funds, indicates, inter alia, overly intricate institutional procedures, complicated regulations and excessive bureaucracy.	Davies (2013)
Interference of national authorities significantly influence NGOs. It depends on political climate, extensive bureaucracy and restrictive control of their activities.	Njoh (2011)
NGOs are largely dependent on public support; therefore, they must face complex procedures and public requirements when applying for financial support.	Fowler (2011)
Many NGOs are unable to ensure sufficient skilled workers and volunteers, as well as an ability to obtain adequate funding or resources remain.	McDonald (2020); Skandrani <i>et al.</i> (2021)
Precarious employment and shift work in the commercial sector are major obstacles to retaining volunteers in NGOs, from among whom employees are often recruited.	Stefanick <i>et al.</i> (2020)
The change of motivations of people, or a lack of skills is required that previously was not essential or simply did not exist may be a significant challenge for NGOs in COVID-19 pandemic.	Luppi (2021)

Table 1. Continued

Internal barriers		Note
In COVID-19 pandemic NGOs struggle with a dramatically decrease of volunteering and mental and physical workload of staff. Non-profits were forced to cut significantly to their number of staff, staff hours, and program capacity.		Finchum-Mason <i>et al.</i> (2020)
NGOs have little possibility of employing qualified staff.		Bach-Mortensen (2018)
A decline in the organization's credibility can lead to donors reallocating to other areas.		Davis <i>et al.</i> (2020)
NGOs operating in market conditions have insufficient financial resources not enabling them to meet their goals. It is one of the key reasons for NPOs undertaking a commercial activity.		Mikołajczak (2020)
In addition to financial challenges in COVID-19 pandemic, non-profit leaders need assistance to address barriers as health and safety, mental health of staff, volunteer recruitment and management, human resources management.		Deitrick <i>et al.</i> (2020)
The COVID-19 pandemic has affected non-profits in the field of major revenue shortfalls and significant staff challenges		Grønbjerg and Habecker (2020)
NGOs which do not take measures to increase the number contract employees take a risk associated with a decline in the number of volunteers willing to engage in the organization's activities, and the outflow of qualified workforce from the organization.		Huntley (2019)
Discouragement and burnout among people working in organizations struggling under chronic uncertainty with regard to their activities, and under the constant threat of a lack of money is current problem that may arise in NGOs.		Gilstrap <i>et al.</i> (2019)
Independent media positively influence on trust in NGOs.		Lee (2010)
NGOs are undergoing crisis of trustworthiness that are difficult to overcome and usually require many years of corrective efforts.		Keating and Thrandardottir (2017)
A crucial internal challenge faced by NGOs is the significant limited capacity of NGOs in terms of human and financial resources.		Batti (2014)
Despite a crucial social impact, volunteers, unlike paid employees, receive limited trainings. Therefor their knowledge is limited.		Ganesh and McAllum (2012)
NGOs are facing rising personnel costs, technical formalities in servicing projects or growing competition for external financing, which further burden their limited budgets.		Viravaidya (2001)

Table 2. Variables

Indication	Barrier
External barriers	
EB1	Unclear rules of cooperation between organizations and public administration
EB2	Excessively developed bureaucracy of public administration
EB3	Imperfect regulations or a lack of regulations governing the activities of the organization
EB4	Excessive / high formal requirements related to the use of funds from grants, donors or EU funds

Table 2. Continued

Indication		Barrier
External barriers		
EB5	Excessive control by public administration	
EB6	Lack of cooperation or conflict in the sphere of non-governmental organizations	
EB7	Competition from other NGOs	
Internal barriers		
IB1	Lack of people ready to selflessly get involved in the organization's activities	
IB2	Difficulties in maintaining good staff and volunteers	
IB3	Weariness of the organization's leaders, burnout of people involved in its work	
IB4	Difficulties in raising funds or equipment necessary to operate the organization	
IB5	Difficulties in accessing premises appropriate to the organization's activities	
IB6	Unfavourable image of NGOs in the eyes of the public and in the media, lack of trust in NGOs	
IB7	Lack of a sense of security in running the organization	

Table 3. Analysis of employment forms used by NGOs

Specification	Total (in %)
NGOs employing staff under an employment contract	23.7
NGOs engaging people permanently and regularly (at least once a week), not on flexible forms of employment	30.5
NGOs involving people from time to time on flexible forms of employment	36.8
NGOs involving people from time to time for tasks on civil contracts, but who do not cooperate with the organization regularly	47.8

Table 4. The logistic regression statistics

Assessment category	Coefficient	VIF	p	ORi
EB2	0.26	1.18	0.01	1.30
IB1	-0.30	1.80	0.01	0.74
IB2	0.26	1.88	0.02	1.30
IB5	-0.37	1.29	0.01	0.69
IB7	0.23	1.48	0.02	1.26

Table 5. Matrix of errors developed for model E

Item		Realized true condition	
		Positive	Negative
Predicted condition	Positive	9	11
	Negative	209	663

Table 6. Evaluation of the model predictive ability

Item	Value
PPV	45.00%
NPV	76.03%
LR	2.53
ACC	75.34%
Sensitivity	4.13%
Specificity	98.37%