



SCHOOL OF
ECONOMICS AND
MANAGEMENT

The Digital Transformation of Irish Charities

*A Case Study of the Digital Changes Made by Charities in Ireland
During the COVID-19 Pandemic, and What They Mean for the Sector*

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Abstract

Charities play an essential role in Irish society. People benefit from support in health and social services, from social housing to specific health related organisations. It is important for charities to be able to invest in digital strategies which can support them in spreading the word of their cause, in raising awareness, in fundraising, and in recruiting talent. Importantly, digital strategies can also include cost-effective ways to increase accessibility and reach the largest possible number of people in need. Despite this, charities have traditionally been expected to serve society with very little investment going towards their digital strategies. This has meant that many charities have missed out on some of the opportunities of digital, and this has been highlighted by challenges they have faced during the COVID-19 pandemic.

Since the COVID-19 pandemic, however, charities have been developing digital strategies in areas which include fundraising, service provision, volunteer involvement and remote working. As the steps taken by charities in making this switch have been largely unexplored, this thesis analyses what changes have been made, how they have been managed, and if the increased use of digital strategies will continue even when the pandemic's restrictions are lifted. This is done by analysing the overall level of change made within each respondent charity, and classifying it as either Digitalisation or Digital Transformation. This thesis also highlights how the digital changes are being managed by charities. To do this, an inductive and qualitative approach was chosen by conducting interviews with 14 senior representatives from various charities.

The results of this research reveal that a pattern is emerging within the Irish charity sector which indicates a change of mindset regarding the investments being made towards new and innovative digital strategies. Such digital strategies have enabled charities to generate more revenue, increase access to services, and help solve the social problems they are tackling. The research also reveals several helpful methods of implementing various elements of digital strategies, and offers a basis for further research in the area of digital strategies of charities. This thesis argues that charities should now maintain the positive changes they have made throughout the pandemic, by building on digital aspects which have been successful. While the reliance on digital strategies is unlikely to continue to the extent it has throughout the pandemic where fewer alternatives were available, this thesis argues that charities should not fully revert to the non-digital strategies which they traditionally have relied upon in the past.

Keywords: Nonprofit, Charities, Digital Strategy, Digitalisation, Digital Transformation, Change Management.

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1 Introduction

1.1 Background

Charity plays an essential role in society. It is done for public benefit, relief and to provide assistance to people at times of need in any part of the world, especially those who are the victims of war, natural disaster, catastrophe, hunger, disease, or poverty, by supplying them with food, shelter, medical aid, and other fundamental needs (Transparent Hands, 2018). For the purpose of this thesis, charities are defined as “organisations whose purpose is to give money, food, or help to those who need it, or to carry out activities such as medical research that will help people in need, and not to make a profit” (Cambridge Dictionary, n.d.). Charitable organisations, as per this definition, work on a not-for-profit basis and vary in the types of support and services they provide. There are over ten thousand charities registered in Ireland (Charities Regulator, n.d), which have played and continue to play a key role in society. Charities lie at the heart of Irish society and impact all aspects of people’s lives; children benefit from the efforts of sporting and cultural organisations, families benefit from the provision of education and social support, and older people benefit from support and advocacy structures; all age groups benefit from support in health and social services, from social housing to specific health related organisations (Charities Institute Ireland, 2017). It has been argued that Irish charities represent some of the best aspects of life and society in Ireland – a desire for altruism, community support and cohesion (Charities Institute Ireland, 2017). It has also been said that the Irish, as a nation, generally like to think of themselves as charitable people. In 2013, the Central Statistics Office of Ireland included questions about volunteering in a National Household Survey. The results of this survey showed that 28.4% of adults take part in volunteering activities (Volunteer Ireland, n.d.). Irish society has given to the charity sector for decades and the charity sector has given back to Irish society for just as long (Charities Institute Ireland, 2017).

Although charities provide services that collectively benefit society, they have been expected to do so with very little investments going towards organisational aspects such as digital strategies, technological upgrades, training and recruiting staff to focus on digital, among other aspects to digitally develop their organisations. For the purpose of this thesis, a digital strategy is defined as “the application of digital technologies to improve business performance, and to specify the direction an organisation will take to create new advantages with technology, as well as the tactics it will use to achieve these changes” (Reyes, n.d). It is important for charities to be able to invest in their digital strategies, as they provide numerous opportunities, including the chance to

reach new audiences, bypassing expensive intermediaries, with a message that can be updated relatively cheaply and easily (Elliott et al., 1998; Saxton & Game, 2001; Wenham et al., 2003 cited in Goatman & Lewis, 2007). They can be used by charities to develop communities (Gomes & Knowles, 2001 cited in Goatman & Lewis, 2007) and build relationships (Hart, 2002; Sargeant, 2001 cited in Goatman & Lewis, 2007). Despite these benefits of moving towards more digital strategies, too much of the sector has been missing out on some of the basic opportunities of digital (Hallam, 2020), and this was highlighted by the COVID-19 pandemic (“the pandemic”). When the pandemic broke out, the Irish Government took the same approach as many other countries to reduce the spread of the virus, which included restricting the public from attending mass gatherings, limiting any indoor gatherings, and implementing social distancing measures (Gov.ie, 2020c). This meant that many charities’ in-person fundraising campaigns were cancelled, in-person services needed to be halted, volunteers were no longer able to be physically present at charities’ premises, and many charities’ employees could not come into their offices to work. All of this meant that charities were required to rely on digital methods of fundraising, service provision, volunteer involvement and remote working. However, many did not have digital strategies in place and were unprepared for the change. Earlier surveys have suggested that some Irish charities have been struggling to adapt to the digital challenges highlighted by the pandemic, due to a lack of resources and technical expertise (The Wheel, 2020).

This may be a result of charities prioritising the allocation of resources towards the traditional, non-digital provision of their services, and not developing digital strategies despite the fact that investing in aspects such as digital fundraising and online services can increase available funds and lead to growth (Pallotta, 2013). It has been argued that this hesitation of investing in new technologies and strategies stems from the expectations that external stakeholders have regarding how the charities they support run their organisation. Nonprofit organisations’ external stakeholders include donors, clients, volunteers, community groups and other citizens who exercise significant influence on their operations (Moore, 2000 cited in Akingbola, 2006). These stakeholders are essential to the survival of nonprofits (Crittenden, 2000 cited in Akingbola 2006), and the challenge here is that the stakeholders have different perceptions of the organisations, which assess performance relative to each stakeholders’ interests (Akingbola, 2006). It has also been suggested that the lack of investment in digital may be due to a reluctance to attempt to take risks in pursuit of new ideas for generating revenue, for fear of charities’ character being called into question should such risks not succeed (Pallotta, 2013). This “prohibition on failure” restricts innovation, meaning that it is more difficult to raise more revenue and grow as an organisation to the extent needed to solve the large social problems they

are tackling (Pallotta, 2008, p.127). This expectation of charities to allocate resources primarily towards the provision of services and to be as cost-effective as possible in other areas, may have contributed to many charities being under-prepared for the pandemic.

However, since the pandemic, Irish charities have had to change very quickly in terms of delivering services, fundraising, engaging volunteers, and staff working remotely. They have accelerated the development of digital strategies, and have begun to embrace digital processes and technologies to change the way they operate. This is true even for charities that had not used any form of digital strategies previously. Without many alternatives due to restrictions, charities have had to find new ways to raise funds, engage with donors, serve beneficiaries, and operate remotely. This thesis explores how the pressures of the pandemic have accelerated the digital development of charities, and whether they plan to embrace digital processes and technologies even beyond the pandemic's restrictions. The disruption caused by the pandemic has permitted charities to take unconventional and uncharted paths to strengthen donor relationships, serve beneficiaries, engage employees, and serve a higher purpose (Althoff, 2021). Prior to the pandemic, it had been argued that charities could not have afforded to be digitally defiant, and those without a digital strategy risked being left behind when it came to raising awareness of their organisation, communicating with potential donors and interacting with beneficiaries (Green, 2018). It had also been argued that they should no longer rely on the way they have always done things, and need to invest time and money in developing a digital strategy to future-proof their organisation (Green, 2018). This thesis argues that it is now important for charities to consider any lessons learned from the pandemic, and not completely revert to the traditional, non-digital methods used previously. Instead, charities should build on the momentum of the digital changes they have made by analysing lessons learned about new ways of working, and to maintain the boldness inspired by the disruption to continue to innovate in new and creative ways (Althoff, 2021).

1.2 Research Gap

Throughout the pandemic, the vast majority of news coverage in Ireland has focused on how it has affected the retail industry, the hospitality industry, and the education industry, and how these industries have acted to overcome their challenges, with little attention being drawn on the challenges and impact it has had on charities. It can be argued that even on a more international level, news coverage has predominantly focused on other sectors. Therefore, although the research for this thesis has been conducted within the Irish context, the results will be applicable to many charities in other countries. In the early stages of the pandemic, a number of surveys

regarding the pandemic's impact on charities in Ireland had been conducted by national bodies. Such surveys show that charities were facing uncertainties about their income and whether they would be able to continue providing their services throughout the pandemic. However, as these surveys were carried out very early on in the pandemic, there is an overall lack of recent information regarding the specific steps taken by charities to develop digital strategies to overcome challenges of the pandemic. In November 2020, Helen Martin, Chief Executive of the *Charities Regulator*, stated that the financial impact of the pandemic on the charity sector in 2020 will not be fully known until late in 2021 (Conneely, 2020). Throughout the course of the research for this thesis, *Charities' Institute Ireland* published their results of a more recent survey which highlights that charities have been innovating, adapting and bringing their fundraising and service delivery online. The report shows that some survey respondents had actually managed to improve their financial positions in 2020 compared to their projected income for the year, but would continue to need support from the public and the Government (Charities Institute Ireland, 2021). Another key issue highlighted by this report has been that the support offered by the Government to the private sector focusing on digitalisation of services and related training has not been extended to the charity sector (Charities Institute Ireland, 2021). This has meant that charities have had to invest in technology and upskilling staff to overcome challenges of the pandemic, all on their own (Charities Institute Ireland, 2021). However, how they are doing this, and the lessons they have learned along the way have not been researched. This thesis aims to shed more light on this topic of how charities have been overcoming these challenges specifically using digital methods.

1.3 Research Purpose

This thesis analyses how respondent charities have developed digital strategies to overcome challenges they have faced during the pandemic, and how charities plan to incorporate these changes into their organisational strategies on a permanent basis. The purpose of this is to gain insight into whether a pattern is emerging which indicates a shift of mindset among charities. This mindset regards the desire to invest in digital strategies to generate more revenue, increase access and reach of services, and help solve the social problems the charities are tackling by building on the changes that have been successful. To do this, this thesis makes a distinction between the changes made by charities by categorising the overall change as either *digitalisation* or *digital transformation*. This distinction will be used to highlight the fundamental changes that have been made by charities through the use of digital strategies, and how they intend to continue — and increase — this use, even when the restrictions of the pandemic are lifted.

1.4 Research Questions

Three research questions have been formulated according to the research purpose:

1. How has developing digital strategies enabled charities to overcome challenges of the pandemic?
2. Which digital changes will be incorporated into charities' strategies going forward on a more permanent basis, and how will these changes be managed?
3. Has there been a change of mindset in charities regarding the investment of resources in areas such as technology and digital strategies?

1.5 Outline

To address these research questions, this thesis is composed of the following sections: Chapter 2 outlines the literature review, where previous research is outlined, and the definitions of Digitalisation and Digital Transformation are provided. This chapter then introduces change management theories and models that are referred to throughout this thesis. Chapter 3 introduces the methodology framework by describing the research design and specifying how then chosen theories were selected. This chapter also introduces the data collection method, the data analysis method, ethical considerations, and validity and reliability of the research. Chapter 4 includes the analysis of empirical findings. Chapter 5 provides a discussion based on the findings of this research and what it means for the nonprofit sector in Ireland. Finally, Chapter 6 concludes the findings made by this thesis and what they mean for the charity sector in Ireland, reflecting on the practical implications of this thesis for charities, and providing suggestions for further research.

2 Literature Review

2.1 Previous Research

2.1.1 Charities had been unprepared for moving to digital

In the relatively early stages of the pandemic in Ireland (July 2020) *The Wheel* — Ireland’s national association of community and voluntary organisations, charities and social enterprises — carried out a survey which showed that Irish charities had been facing serious uncertainty about the security of their income, with many expressing concern about whether they will have sufficient funds to provide their services in 2021 (The Wheel, 2020). A similar survey by the *Charities Regulator* — an independent national statutory regulator for charitable organisations in Ireland — highlighted that over half of Irish charities were concerned that their charity may be unable to continue providing services for more than 6 months (Charities Regulator, 2020). In the United Kingdom, statistics from 2017, 2018, 2019, and (July) 2020 have shown that around half of UK charities do not have a digital strategy in place (Skills Platform, 2020). Such data has not been made available in Ireland, however, figures suggest that prior to the pandemic, Irish charities had been testing various aspects of digital strategies, but were not using them strategically (The Wheel, 2019). As this report is from 2019, it does not cover issues that have been more prominent since the beginning of the pandemic, such as remote working, digital fundraising or the online provision of services.

The lack of prioritising the development of digital strategies may have resulted from the reluctance within the sector to invest the level of resources that were needed to develop such strategies. Many charities had understandably prioritised investing resources directly to their cause — towards the provision of service to beneficiaries — but this has meant that many did not have digital strategies in place. Therefore, many had relied on traditional methods of in-person fundraising activities, face-to-face provision of services, and in-person involvement of volunteers. Such reliance on traditional methods had put many charities at a disadvantage. In the beginning of the pandemic (March 2020), *Charities Institute Ireland* surveyed charity CEOs, and found that 89% of respondents had had to cancel a vast array of events, campaigns and other fundraising activities (Charities Institute Ireland, 2020). As charities had had to cancel such activities, along with the fact that many have seen an increase in services and a decrease in volunteers, charities were uncertain about their income for the immediate future. In an attempt to alleviate this financial pressure, the Irish Government launched a €40 million support package in May 2020 for Community and Voluntary Organisations, Charities and Social Enterprises. Of

that, €35 million went towards the 'COVID-19 Stability Fund'. This was to provide support to qualifying organisations who are most in need and have seen income drop significantly (Gov.ie, 2020a). Despite this effort by the Government, *The Wheel* later surveyed charities from July-August 2020, and found that the uncertainty facing charities about their income for 2021 remained, owing to an increase in services, but a reduction in staff, volunteers and funding (The Wheel, 2020). In December 2020, the Irish Government announced a further €10 million was to be made available to qualifying organisations, bringing the total available under the COVID-19 Stability Fund to €45 million (Gov.ie, 2020b). This means that there has been additional funding available for Irish charities, however, it is unclear whether this has helped charities in developing their digital capabilities to overcome the challenges of the pandemic, as many had not invested in this area beforehand.

2.1.2 Pressure on charities to prioritise areas other than digital

Strategy is the process of taking an organisation from its present position to its desired position (Burack and Mathys, 1996 cited in Akingbola 2006), and it has been argued that strategy reflects what an organisation does or how efficiently it operates compared with other organisations (Porter, 1996 cited in Akingbola 2006). As strategy guides the behaviour of organisations and is made up mainly of the 'substantive vision of the value the organisation intends to produce' (Moore, 2000 cited in Akingbola 2006), strategy is fundamental to the mission of charities (Akingbola, 2006). Since many nonprofit organisations operate in an environment that is institutional in nature (Crittenden, 2000; Oliver, 1991 cited in Akingbola 2006), the challenge of attaining an effective strategy is more complex and extends beyond the linkage between challenges, opportunities and capabilities. Nonprofit organisations have other external stakeholders (such as funders, clients, volunteers, community groups and citizens) who exercise significant influence on their operations and contribute to their legitimisation (Moore, 2000 cited in Akingbola 2006). These stakeholders are essential to the survival of nonprofits (Crittenden, 2000 cited in Akingbola 2006). The challenge here is that the stakeholders have different perceptions of the organizations (Herman and Renz, 2004 cited in Akingbola 2006), thus assessing performance relative to stakeholders' interests (Akingbola, 2006). As described earlier, charities are "an integral part of the social system whose role and scale are a by-product of a complex set of historical forces" (Salamon and Anheier, 1998, p. 245 cited in Akingbola 2006). It has been argued by Akingbola (2006) that their performance is influenced by social, political and historical factors that cannot be explained simply in terms of matching challenges and opportunities to ensure the effectiveness of strategy. As charities' goals are multidimensional, social in nature and are in total contrast to simply determining profitability (Weisbrod, 1998 cited in Akingbola 2006), the nature and form of strategy is likely to be

different and more susceptible to the complex social and political factors in the operating environment of nonprofit organisations (Moore, 2000 cited in Akingbola 2006). These are the constraints in the analysis of strategy in these organisations (Akingbola, 2006).

Consequently, it has been argued that charities' hesitation of investing in new technologies and strategies stems from the expectations that these external stakeholders have regarding how the charities they support run their organisation. Author, activist and fundraiser, Dan Pallotta, highlights a dysfunctional mentality that society has towards charities which he refers to as "nonprofit ideology" (Pallotta, 2008, p.7). He describes this as the oppressive set of rules and the "severe restraints" that we as a society impose on charities that undermine their causes (Pallotta, 2008, p.7). It can be argued that because of such restraints, or expectations of how charities should allocate their resources, charities were not investing in digital strategies as this was seen as something that would be nice to have, as opposed to something that they should have.

As for-profit companies generally do not rely on public donations or government grants, they do not face the same restraints when it comes to the investment of their resources. Therefore, a comparison can be drawn between for-profit and nonprofit organisations to highlight the challenges faced by charities. Such a comparison was made by Pallotta (2008), where he suggests that although the social problems that many charities are tackling — such as poverty or disease — are massive in scale, the organisations themselves are tiny in comparison due to a societal belief system that keeps them tiny (Pallotta, 2013). This belief system discriminates against the nonprofit sector in five different areas. First, in the compensation of employees. In the for-profit sector, the more value professionals create, the more money they can earn. However, this does not translate as easily into the nonprofit sector, argues Pallotta (2008), where donors prefer to see their funding go straight to a charity's cause, instead of seeing a charity recruiting digital experts earning a high salary, for example. Second, charities are held to a different standard when it comes to investing in advertising and marketing. Organisations in the for-profit sector can spend money on advertising to make profit until such investment no longer produces value, but generally, supporters do not want their charitable donations going towards advertising, even when the value of the donations can be multiplied with such investments (Pallotta, 2008). A third area involves the level of risk taken in pursuit of new ideas for generating revenue. Organisations in the for-profit sector can generally take risks knowing that if they do not pay off, it is seen as a common aspect of business. Whereas in the nonprofit sector, there is a reluctance to attempt brave and daring fundraising endeavours, for fear of the charity's character being called into question should that endeavour fail (Pallotta, 2013). This "prohibition on failure" restricts innovation, meaning that it is more difficult to raise more revenue and grow

as an organisation to the extent needed to solve the large social problems mentioned above (Pallotta, 2008, p.127). The fourth difference is in regard to time. In the for-profit sector, there is a certain level of patience that stakeholders have when waiting for return on investments. This patience has not been replicated in the nonprofit sector, where there is usually a sense of criticism when any money available to the charity is not seen to be going directly to its beneficiaries. Pallotta argues that the nonprofit ideology discourages long-term visions, “under the theory that donations were made so that they could be distributed immediately” (Pallotta, 2008, p.41). The final area involves profit itself. In the for-profit sector, profit is commonly used to attract capital to general new ideas, but non-profit organisations are generally starved of such capital that can be used for risk, for ideas, and overall growth, even if such risks were not discouraged (Pallotta, 2008). All of these areas are counterproductive to the benefit charities aim to achieve for society, and it is argued that “by denying charity the tools of capitalism...charities are placed at a severe disadvantage to the for-profit sector, on every front and at every level” (Pallotta, 2008, p.9).

This suggestion that charities are expected to create a significant impact, while at the same time being expected to keep fund spend to a minimum, has been reaffirmed by Megan Wright, President of the *Social Innovation Network* in Australia (Howard, 2019). Even prior to the pandemic, she had stated that “one of the biggest issues in creating social impact is that there’s an expectation from the public that not-for-profits have to keep their expenditure down, meaning they won’t invest money into measuring things or innovating” (Howard, 2019). She went on to say that the expectation for charities to keep their spending low, means that they are encouraged to keep their impact low, and that “if they’re not investing in innovation, then their impact will be incredibly damaged by that” (Howard, 2019). These expectations that charities are faced with, as highlighted by Pallotta and Wright, are not limited to the United States or Australia, however. As advocated by *Charities Institute Ireland* in a report from 2017, there needs to be an understanding that charities in Ireland “should have an ability to innovate and create new solutions to social problems which then can be scaled up...rather than cut-price provision of social services”. (Charities Institute Ireland, 2017). This expectation of charities to allocate resources primarily towards the provision of services and to be as cost-effective as possible in other areas, may have contributed to many charities being under-prepared for the pandemic, which has highlighted several benefits of investing in digital strategies.

2.1.3 Charities have now had to switch to digital due to no alternatives

Since the beginning of the pandemic, many charities have had to change quickly in terms of service provision, fundraising methods, volunteer involvement, and the remote working of staff.

The disruption caused by the pandemic has permitted charities to take unconventional and uncharted paths to strengthen donor relationships, serve beneficiaries, engage employees, and serve a higher purpose (Althoff, 2021). There has been a sudden acceleration of digital advancements, even for organisations that had not relied on technology prior to the pandemic (Anghel, Pinzaru & Zbucea, 2020). This rapid adoption of digital solutions has allowed organisations across all sectors to rapidly switch from physical to remote working to remain as efficient as possible in the given circumstances (Anghel, Pinzaru & Zbucea, 2020). During the pandemic, some organisations were only pushed towards the adoption of digital solutions, depending on their previous experience and orientation towards innovation and technology (Anghel, Pinzaru & Zbucea, 2020). The pandemic has tested many organisations that had not embraced digital previously and have found themselves unprepared in the new context. Without many alternatives due to government-imposed restrictions that have prohibited many in-person activities in Ireland, many charities have had to find completely new ways to engage with donors, serve beneficiaries, raise funds and operate remotely. It is important now to evaluate what digital aspects that have been introduced in charities have been working well, and can be incorporated on a permanent basis post-pandemic. A crisis can force charities to think creatively about new ways to engage and serve their constituents, and make their organisation better in the process by taking stock of what they are currently doing to solve problems and asking themselves if any of these temporary new programs and delivery methods show promise for the future (Zimmerman, 2020). In essence, charities now have the opportunity to reinvent themselves now that they have had little choice other than to invest in digital strategies that can be used to improve their organisations.

Charities can now build on this momentum by analysing the lessons learned about the new ways of working, and the challenge now is for them to maintain the boldness inspired by the pandemic's disruption to continue to innovate in new and creative ways (Althoff, 2021). Many charities may now be questioning how they can continue to drive transformation and sustain the gains they have made in a short period of time (Althoff, 2021). Ideally, charities will keep the pandemic's digital gains and integrate even more in an efficient manner, while selectively modernising technology capabilities and investing in the digital skills of their employees (Anghel, Pinzaru & Zbucea, 2020).

2.2 Theoretical Framework

As outlined, existing research shows that prior to the pandemic, charities in Ireland had seen less progression in terms of developing certain aspects of their digital strategies when compared to charities in some other countries (The Wheel, 2019). Having gained insight from previous research that charities were now beginning to move operations online, literature regarding digitalisation and digital transformation were reviewed, and these topics were made a focal point of this thesis. The reason for this is to explore the extent to which charities have had to digitally develop, by either completely transforming how they operate ('digital transformation'), or using digital technology to increase efficiency of how they have always operated ('digitalisation'), in terms of speed, reach, or cost-effectiveness. This is to highlight the fundamental changes that have been made by charities through the use of digital strategies, and to identify which digital developments are planned to be part of the "regular" operations of charities once the pandemic's restrictions are lifted, and how senior management will manage this change. Consequently, literature on change management has been reviewed to better understand what practices work best for effectively implementing and maintaining such change. The purpose of analysing such plans being made by charities for further change is to analyse whether a shift of mindset is emerging within the sector regarding the investment of resources to develop charities' operations to generate more revenue, increase access of services, and help solve the social problems they are tackling. This thesis argues that this can be achieved by developing the digital strategies that have been successful in helping them overcome challenges during the pandemic.

2.2.1 Digitalisation

Digitalisation involves automating existing business processes, joining those automated processes together, and using this system to support existing business processes and information flows (Savić, 2019). By focusing on the automation of various business operations, digitalisation can help to lower production costs and optimise business results (Savić, 2019). This definition has been widely reflected in most of the reviewed literature on the subject. It has also been noted that most companies which target digital transformation tend to end up with digital upgrades, using digital technology to increase efficiency of something that their organisation is already doing, such as increasing marketing spend for digital channels (Libert, Beck & Wind, 2016). For the purpose of this research, digitalisation will refer to charities that have implemented technological changes to improve their existing operations during the pandemic, but do not radically change how they operate or create value.

2.2.2 Digital Transformation

Digital transformation, on the other hand, involves an organisation using digital technology to fundamentally change how they operate, especially in how they interact with customers and in how they create value (Libert, Beck & Wind, 2016). Unlike digitalisation, where new digital technologies are incorporated as part of an existing culture, digital transformation requires a change in the internal structure of an organisation with a cross-functional mandate and strong support (Libert, Beck & Wind, 2016). However, having reviewed relevant literature on the subject, it became clear that there is no straightforward consensus about the definition of digital transformation. Having conducted a study reviewing and listing the best available knowledge to bring clarity to the topic, Vial (2019) reviewed the various definitions and constructed the following definition of digital transformation: “a process that aims to improve an entity by triggering significant changes to its properties through combinations of information, computing, communication, and connectivity technologies” (Vial, 2019, p.121). While this definition has helped to bring some clarity to the concept, it can still be considered vague for the purpose of this research.

In order to gain a clearer understanding of digital transformation for this research, elements of each of the following interpretations are incorporated to provide the definition which will be used in this thesis. Digital transformation has been defined as ‘the use of technology to radically improve performance or reach of enterprises’ (Westerman et al., 2014), ‘leveraging digital technologies to enable major business improvements, such as enhancing customer experience or creating new business models’ (Piccinini et al., 2015), and ‘adopting business processes and practices to help the organisation compete effectively in an increasingly digital world’ (Kane, 2017). While these three definitions do highlight the practical adoption of digital technology for an organisation to expand their capabilities in a digital world, they do not provide an obvious distinction from the concept of digitalisation which involves using technology to improve the operations that an organisation is *already* doing.

Digital transformation has also been described as ‘the profound and accelerating transformation of business activities, processes, competencies, and models to fully leverage the changes and opportunities brought by digital technologies and their impact across society in a strategic and prioritised way’ (Demirkan et al., 2016), and as ‘a radical rethinking of using technology to change strategy, revenue streams, operations and business models leading to significant impact for customers, partners, and employees’ (Boulton, 2020). These definitions highlight the sense of the fundamental and overarching change that needs to be made by an organisation in order to describe the changes they are making as digital transformation, however, they do not provide

examples of how such changes can be made. One description that highlights both the practical methods used to implement digital transformation and the fundamentality of the changes being made is ‘the use of new digital technologies, such as social media, mobile, analytics or embedded devices, in order to enable major business improvements like enhancing customer experience, streamlining operations or creating new business models’ (Horlacher et al. 2016). This is perhaps the most relevant definition for this research, since it provides specific steps that can be taken to trigger such wholesale transformations within an organisation.

For the purposes of this thesis, elements from each of the definitions listed above have been combined in order for them to be applicable to the nonprofit sector as well as being clear enough to measure and define the changes being made by charities in the data analysis section of the thesis. The definition of digital transformation that will be used is: “The use of digital technologies to change strategy, revenue streams, and operations to radically improve the organisation’s reach or performance in order to fully leverage the opportunities brought by digital technologies, and help the organisation operate in an increasingly digital world”. With this definition in mind, the digital changes being made by respondent charities are analysed, looking at the specific technological tools used in the digital changes they have made. Consequently, the overall impact that these changes have had on the fundamental operations of the organisations is analysed. This is to categorise the changes as either digitalisation or digital transformation, to determine whether there has been a radical change within the nonprofit sector of how charities operate, invest resources, and provide value.

2.2.3 Change Management

This thesis outlines how senior management have managed the digital changes that have been introduced since the beginning of the pandemic, and how they plan to manage further digital changes going forward. Change management involves managing the impact of some particular organisational or environmental change — in this case, the pandemic — on the core activators of workplace performance, including sense of purpose, a sense of identity, and mastery (Brightman & Moran, 2000). While the sense of purpose and identity are unlikely to be affected by introducing technological adaptations — where the purpose and identity of a charity is based around solving the social issues they are tackling — the issue of professional mastery may more likely be an obstacle. This is because many charities have traditionally relied on face-to-face fundraising events, providing services in person, staff working in the office, and the physical involvement of volunteers. However, with the majority of these aspects being moved online and performed digitally, skill gaps are likely to be created by the changes. As noted in the introduction of this thesis, prior to the pandemic, Irish charities were trying out digital but had

not been using it strategically (The Wheel, 2019). During the pandemic, some organisations were only *pushed* towards the adoption of digital solutions, depending on their previous experience and orientation towards innovation and technology (Anghel, Pinzaru & Zbucea, 2020). Charities who did not prioritise technology in the allocation of their resources will likely have found themselves less prepared for the digital requirements that have been needed to overcome many challenges of the pandemic. Therefore, the changes that were being made as a reaction to the pandemic will be uncharted territories for many charities. It has been argued that one way to overcome this issue is to move rapidly to create targeted learning opportunities to close the gaps and prevent a sense of organisational helplessness (Brightman & Moran, 2000). Such change must first be top-down, as this can provide a vision to staff and create a structure for the organisation, and then bottom-up to encourage participation in the change among staff to integrate the change on a personal level and sustain it organisationally (Brightman & Moran, 2000). It has also been argued that it is the responsibility of senior management teams to frame the change in terms of results and create an atmosphere that enables people to embrace the new change. They must also update and develop new roles and responsibilities that reflect new performance demands to ensure the organisation and its employees have the required skills to adapt to the change (Brightman & Moran, 2000).

An effective change management strategy can ensure any changes made in an organisation or processes are applied and maintained effectively (Mulholland, 2017). This can be applied to both the technical and human side of the company to ensure the changes being made are understood, accepted and enacted (Mulholland, 2017). As the charity sector in Ireland has relied on traditional, non-digital methods of fundraising, volunteering and providing services in person, the switch to doing these digitally has required them to make wholesale changes. Habits and old routines die hard, so having an effective change management strategy will have helped the members of charities adapt to such changes (Mulholland, 2017). Organisational change involves some form of planned alteration of organisational components to improve the effectiveness of the organisation (Cawsey & Deszca, 2007). Change management is often about the alignment or realignment of the strategy with the environment of the organisation through a systematic process that managers implement to improve the effectiveness of the organisation in the face of disruption, opportunity, or threat (Marler, 2012). The contextual variables or circumstances of charities include wide-ranging issues such as stakeholders, funding, competition, public expectations, and the Government (Akingbola, Rogers & Baluch, 2019).

In order to identify how senior management teams in respondent charities have managed the changes of both digitalisation and digital transformation, literature on several change

management theories were reviewed to understand what practices have worked best for charities in making digital changes. This is to analyse how respondent charities have developed digital strategies to overcome challenges throughout the pandemic, how senior management teams have framed the changes and enabled people to embrace the change, and how roles and responsibilities have been updated to reflect the demands of the change. The literature was also reviewed to analyse any changes that are planned to be incorporated in the future strategies of respondent charities will be managed by senior management, by either adapting and realigning existing strategies, or by implementing brand new strategies to realign the organisation with its environment in the face of disruption.

2.2.3.1 First-Order Change vs. Second-Order Change

In terms of the types of changes that organisations can make, incremental modifications in aspects of the existing structures, systems, or processes of the organisation are examples of *first-order change* (Akingbola, Rogers & Baluch, 2019). The purpose of this type of change is to restore or align components of the organisation while at the same time maintaining the overall stability of the organisation. Alternatively, *second-order change* involves radical, discontinuous and comprehensive changes that encompasses the overall organisational systems and entails the fundamental transformation of the core of the organisation (Newman, 2000). This type of change is about discontinuous adaptation of the underlying ideas of what the organisation is all about and how it operates. The type of change being introduced by charities in Ireland will depend on their capabilities prior to the pandemic; those who were able to make technological adaptations to their existing operations to continue will have been able to maintain stability by using first-order change. Digitalisation is an example of *first-order change*. Those who were in the more challenging position of not having a digital strategy in place will have had to make more significant changes to their organisations than those who already had some form of digital strategy in place. Digital transformation is an example of *second-order change*.

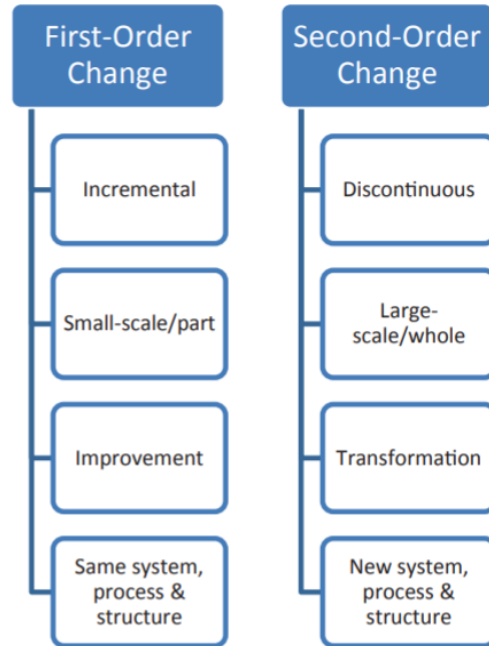


Fig. 1. First-order and Second-order change (Source Akingbola, Rogers & Baluch, 2019).

2.2.3.2 Incremental Change vs Discontinuous Change

Organisational changes can be small-scale, incremental, and evolutionary designed to help the organisation to keep moving by adapting without disrupting the overall system. Alternatively, they can be a “discontinuous, radical, and all-encompassing system-wide change designed to renew the fundamentals of the organisation, such as the core values and the strategy of the organization” (Akingbola, Rogers & Baluch, 2019, p.10). This distinction will also be used when distinguishing between digitalisation and digital transformation, with the latter involving radical and fundamental changes to the organisation. Therefore, the distinction between incremental and discontinuous change will be considered when analysing the data and categorising the changes being made by charities to understand how they have adapted to operating digitally and what this indicates for the future of the sector. Existing literature has categorised organisational change as either anticipatory or reactive, depending on whether the organisation has prior expectation or awareness of the change and has implemented measures to address it, or where change was driven by an unknown factor where the organisation has had to react in order to adapt (Akingbola, Rogers & Baluch, 2019). As this thesis primarily researches how charities have developed digital strategies to overcome challenges that were accelerated by the pandemic — which was unpredictable and unforeseen — the focus of this thesis is mainly on reactive changes made by charities. Such reactive changes consist of *Adaptation* and *Recreation*. Therefore, the ‘Anticipatory’ sections of the following image are not relevant for this study.

	Incremental	Discontinuous
Anticipatory	Tuning Adjustment Improvement Internal alignment Components or sub-systems	Reorientation Major change Positioning entire organization Frame bending
Reactive	Adaptation Internal alignment External event	Recreation Reevaluate whole organization Rapid system-wide change Frame breaking

Fig. 2. Types of Organisational Change (Source Nadler & Tushman 1995 cited in Akingbola, Rogers & Baluch, 2019).

2.2.3.3 Adaption vs Recreation

In change management, *adaptation* encompasses an “incremental change that is intended to realign the organisation to the factors in the external environment” (Akingbola, Rogers & Baluch, 2019, p.12). This type of change involves the organisation reacting to adapt to the external environment, such as the challenges that the pandemic has brought. Adaptive change can be a change in practice such as adoption of technology to enhance the accessibility of service for clients or flow of information to employees and other stakeholders. This adoption of technology to *enhance* what the organisation is already doing would also be an indication of digitalisation. *Recreation* is also a reactive type of change in response to a problem in the environment of the organisation (Akingbola, Rogers & Baluch, 2019). However, this involves reevaluating the entire organisation, including its core values as a result of an event in the environment such as an unexpected disruption that threatens the survival of the organisation. Since recreation is a discontinuous change, it involves recreating or replacing the core elements where necessary to align the organisation with the environment. This would be an indication of digital transformation.

3 Methodology

3.1 Chapter Introduction

As outlined, to analyse the existing scholarly contributions to the topic of digital developments, a systematic literature review was performed. Having reviewed literature on digitalisation, digital transformation, and change management, the interview questions to ask respondents in this research were formulated based on these topics. The purpose of this was to analyse the data gathered from the interviews in accordance with the theories and categorise each charities' digital changes as digital transformation or digitalisation. The interview data was also used to analyse how senior management within each charity have implemented and maintained the changes, supported by existing change management theories. In accordance with Saunders, Lewis & Thornhill (2016), the research design of this thesis elaborates on research philosophy, research approach and research strategy. Subsequently, the data collection method is outlined. Next, the aim to compare, analyse and synthesise the collected data set is explained. Finally, the validity and reliability of the research are outlined within this chapter.

3.2 Research Design

As there was a shortage of information regarding how charities have been digitally developing their operations during the pandemic, exploratory research was conducted for this thesis. Exploratory research questions are typically developed when: a) not much is known about a particular phenomenon; b) existing research results are unclear or suffer from serious limitations; c) the topic is highly complex; or d) there is not enough theory available to guide the development of a theoretical framework (Sekaran & Bougie, 2016). Therefore, the main reason for undertaking exploratory research was that not much research had been conducted on the topic of digital developments in Irish charities, and the available existing research suffered from the limitation of being conducted very early on in the pandemic. This thesis aims to increase the understanding of digital developments made by charities, how these changes have been managed, and how they will be incorporated into the charities' strategies moving forward.

Exploratory research often relies on qualitative approaches to data gathering, such as informal discussions or interviews (Sekaran & Bougie, 2016). Hence, qualitative approaches were relied on to gather data in this research. This is because the existing research done by organisations (*The Wheel* 2019; 2020 *Charities Institute Ireland* 2020; 2021, and *Charities Regulator Ireland*

2020) explores the challenges faced by charities during the pandemic on a general level. Qualitative data can include data in the form of words as generated from the broad answers to questions in interviews (Sekaran & Bougie, 2016). Qualitative research focuses on the nature of the phenomena studied and is an approach rather than a fixed set of techniques (Morgan & Smircich, 1980). Qualitative research has also been described as aiming to “make sense of, or interpret, phenomena in terms of the meaning people bring to them” (Denzin & Lincoln, 2005).

Inductive research processes are regularly used in exploratory and qualitative studies. Inductive reasoning is a process where the researchers observe specific phenomena and on this basis arrive at general conclusions (Sekaran & Bougie, 2016). Hence, in inductive reasoning, researchers work from the more specific to the more general. In this research, inductive research was conducted, whereby the researchers observed the specific phenomena that have helped each of the respondent charities in developing digital strategies, and gained insight as to whether respondents have changed their opinion on the value of such investments since the pandemic. This is to explore whether a pattern is emerging regarding a shift of mindset within the sector with regard to investing more heavily in areas such as technology and digital strategies.

3.3 Data Collection Method

As outlined in the Research Design section, exploratory research was conducted for the purposes of this thesis, and qualitative approaches were used for gathering data, primarily through interviews with senior management of respondent charities. The reason for choosing to interview respondents was because this method allowed them to reply to the list of compiled questions more freely and give more in-depth answers than alternative methods such as surveys and questionnaires. As part of the preliminary research for this thesis, Liz Hughes, CEO of *Charities Institute Ireland*, was interviewed in order to gain a deeper understanding of how the pandemic has affected the charity sector in Ireland. *Charities Institute Ireland* is a body which supports Irish charities’ growth and development by providing guidance and working with policy makers to create conditions for charities to be able to deliver their missions (Charities Institute Ireland, n.d.). This interview was conducted to better understand what theories should be used in this research, what questions should be asked to interview respondents, and what types of charities should be analysed. Having interviewed Liz Hughes, the process of identifying charities that would potentially be contacted as part of this research began. When selecting interview respondents, a list of charities in Ireland was compiled, varying from those who provide services locally, to those who are nationwide. The listed charities also varied in terms of the services they provide, as well as the beneficiaries who use their services. Finally, the charities varied in terms

of organisational size, budget, and number of employees. The reason for keeping the scope of charities intentionally wide was to gain an overview of the challenges faced by the sector as a whole, and to identify if any challenges were specific to charities of a certain size, geographical location, number of employees, or type of service.

Having compiled a list of 42 various charities, senior members of management of those charities were contacted via email and LinkedIn messaging. During this initial contact with charity professionals, a broad insight was gained of the challenges being faced by Irish charities during the pandemic, and the kind of information which should be gathered during data collection was identified. The interview questions were formulated based on the insights from both the interview with Liz Hughes and from initial communication with professionals working in various charities, along with reviewing relevant literature on digitalisation, digital transformation, and change management. Many of the same professionals who were contacted during the preliminary research also accepted invitations for interviews, while some referred us to more senior members of their charity who would be more suitable to interview. However, several of those who were contacted during the preliminary declined, or did not respond, when invited to be interviewed. This may be due to the fact that senior management from certain charities may not have the same availability to be interviewed as those from other charities, due to the ongoing pressures of the pandemic, or they may be more hesitant to disclose the level of challenges they have been facing due to not having a digital strategy in place prior to the pandemic. To overcome such potential hesitation, all respondents were informed that they, and their organisations, would be kept anonymous when using the data they have provided for the purposes of this research. The reason for keeping them anonymous was to encourage respondents to be open and honest about their charities' challenges during interviews, without fear of highlighting any weaknesses of their organisation. As qualitative research was conducted for this thesis, the aim was to interview as many respondents as possible in the given time frame, in order to continue the research until there was saturation in the data that was being gathered. Of the 42 charities which were contacted, 14 accepted invitations to be interviewed. This number does not include the interview with Liz Hughes, CEO of *Charities Institute Ireland* which was part of the preliminary research for this thesis. Due to the current restrictions imposed by the Irish Government to control the current spread of COVID-19, all of the interviews in this research were conducted via *Zoom* and *Microsoft Teams*.

The interviews ranged from 45-60 minutes in duration and were semi-structured, as a list of predetermined open-ended questions that would be analysed and later used to answer specific

research questions (See Appendix 1) was compiled. The interview questions covered aspects such as:

- How charities have switched to providing services to beneficiaries online.
- How they are using digital fundraising methods.
- The effect of having employees working remotely.
- The interaction with volunteers using digital platforms.
- How digital changes have been managed.
- The extent to which the charities have fundamentally changed how they operate.
- How such digital changes will continue to be used even after the pandemic, either fully or as a hybrid with more traditional methods used before.

This data has been collected from members of senior management from various Irish charities, which was generated through answers given in interviews, as exploratory research is flexible in nature (Sekaran & Bougie, 2016). The reason for speaking primarily with senior management — such as Executive Directors, Chief Executive Officers and Senior Managers — is that, for the purposes of this research, it is beneficial to interview professionals who have an overview of all aspects of their organisations, ranging from fundraising, volunteer interaction, provision of services, and employees working remotely. Therefore, this research involves the collection of primary data, as it has been collected from original sources for the specific purpose of this study (Sekaran & Bougie, 2016). This method allows a wide variety of different sorts of data to be collected from respondents.

3.4 Case Selection

The anonymous charities which have been chosen for this research vary in terms of size, and the services that they provide. *Benefacts* is a social enterprise established in 2014 as an independent nonprofit company, which harvests and aggregates data to provide analysis, transparency, and accessibility of Ireland's nonprofit sector (Benefacts, n.d.). The classification of charities provided by *Benefacts* has been implemented when categorising the charities in this research. These categories include health service charities, social service charities, animal welfare charities, and research charities.

For the purposes of this research, this thesis has also adopted *Benefacts'* size categorisation of nonprofit organisations, which are as follows:

- A micro charity satisfies two of these three conditions: its turnover is up to €700,000; its balance sheet value is up to €350,000; it has ten or fewer employees.

- A small charity meets two of the following: turnover does not exceed €12m; balance sheet does not exceed €6m and has 50 or fewer employees.
- A medium charity meets two of the following: turnover does not exceed €40m, ; balance sheet does not exceed €20m and has 250 or fewer employees.
- A large charity meets two of the following: whose turnover is greater than €40m; whose balance sheet value is greater than €20m; and which has more than 250 employees (Benefacts, 2020).

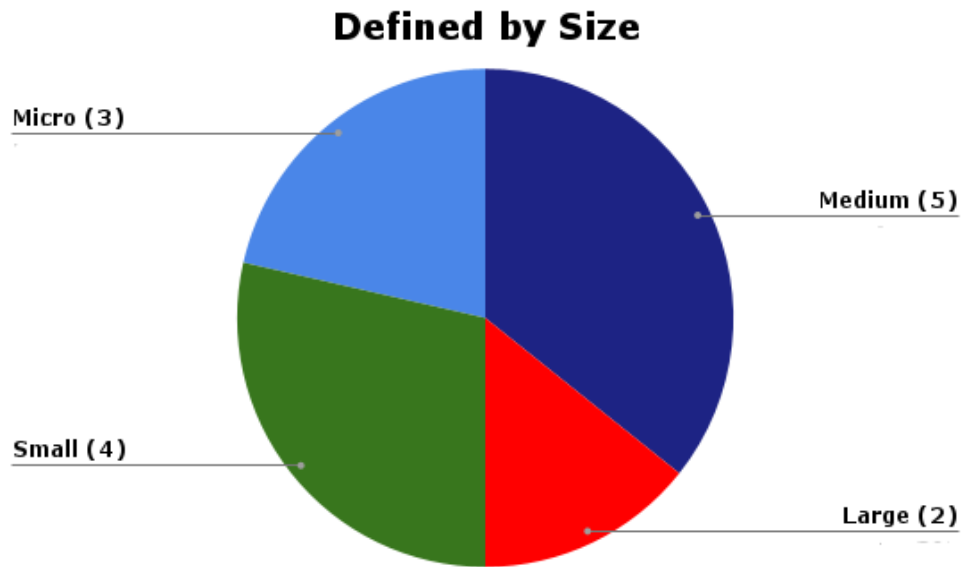


Fig. 3. Charities Defined by Size

This specific information was researched for each of the respondent charities in order to categorise them. Among them, 3 were defined as micro charities, 4 were defined as small, 5 as medium, and 2 as large (Benefacts, n.d.). These figures are from 2019 as such in-depth data has not been collected for 2020 yet (Benefacts, n.d.). However, these differences in size, annual turnover and number of employees will invariably reflect the capabilities of each charity in developing digital strategies, and will be considered when analysing and comparing the changes made by each charity. Each charity used as part of this research is listed below under an assumed name which will be used when referring to each of them to ensure anonymity.

Social Services Charity One	Animal Welfare Charity One	Health Services Charity One	Research Services Charity
Social Services Charity Two	Animal Welfare Charity Two	Health Services Charity Two	
Social Services Charity Three	Animal Welfare Charity Three	Health Services Charity Three	
Social Services Charity Four		Health Services Charity Four	
Social Services Charity Five		Health Services Charity Five	

Table 1. Shows the assumed names of the participants for the purpose of this thesis.

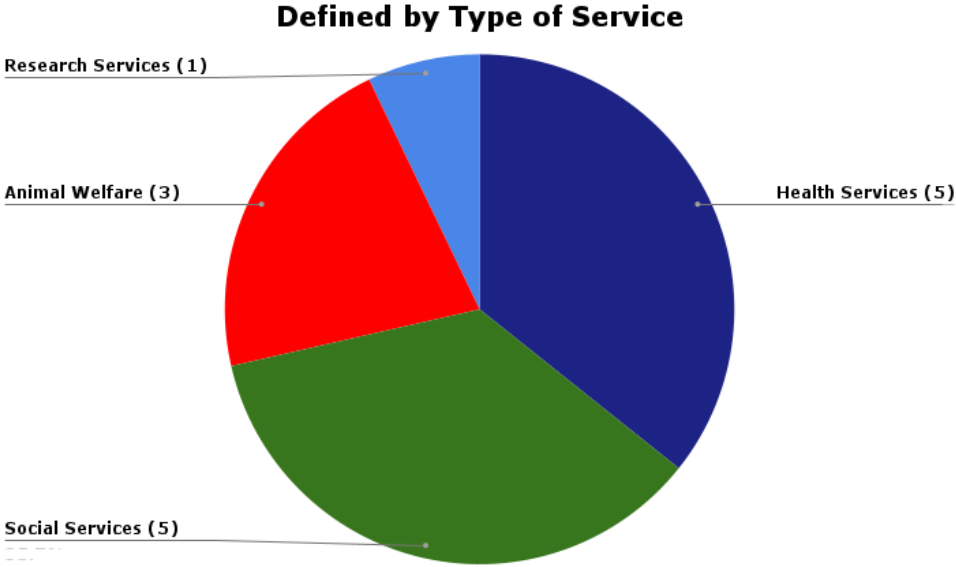


Fig. 4. Charities Defined by Type of Service

Along with the primary data that was collected from the interviews as part of this research, secondary data was also utilised, such as existing surveys undertaken by *The Wheel* (2019), *Charities Institute Ireland* (2020; 2021), and *Charities Regulator Ireland* (2020). Such analysed literature is characterised as secondary, qualitative data from multiple sources (Guest, Namey & Mitchell, 2013). The purpose of gathering this secondary data was to gain a deeper contextual understanding of the impact of the pandemic on the charity sector in Ireland more generally. From this understanding, the aim was to research more specifically how charities have overcome the challenges by digitally adapting their organisational strategies. When evaluating this secondary data, it was ensured the research was relatively up to date, meaning that they

acknowledged the impact of the pandemic, despite primarily being published during its early stages. It was also considered this secondary data to be accurate, as the bodies conducting the surveys were well established, recognised, and independent bodies within the Irish charity sector.

3.5 Data Analysis

The data collected from asking the interview questions was subsequently categorised under various subheadings for analysis purposes. These categories were formed based on insight gained regarding the primary digital changes made by charities during the pandemic, from the interview with Liz Hughes, CEO of *Charities Institute Ireland*, and from the communication with professionals in the charity sector as part of the initial research for this thesis. The categories consisted of: moving services online, switching to digital fundraising, the charities’ workforce working remotely, and the use of digital platforms to interact with and involve volunteers. From these, each category had additional sections which consisted of: challenges in relying on traditional methods, how those challenges have been overcome by using digital, and what changes do charities’ senior management plan to incorporate into their strategies from now on.

Provision of services	Fundraising	Staff work arrangements	Volunteer activity
Challenges of relying on traditional methods	Challenges of relying on traditional methods	Challenges of relying on traditional methods	Challenges of relying on traditional methods
Digital changes made	Digital changes made	Digital changes made	Digital changes made
Aspects of digital methods that will be incorporated into future strategies	Aspects of digital methods that will be incorporated into future strategies	Aspects of digital methods that will be incorporated into future strategies	Aspects of digital methods that will be incorporated into future strategies

Table 2. Shows the categories used for the collection and analysis of data.

The overall level of digital change made by each charity was analysed using the theories outlined in the previous chapter, by defining the changes as either digitalisation or digital transformation. As outlined in the previous chapter, organisational changes can be small-scale, incremental, evolutionary, and designed to help the organisation to keep moving by adapting without disrupting the overall system. Alternatively, they can be discontinuous, radical, and

all-encompassing system-wide change designed to renew the fundamentals of the organization such as the core values and the strategy of the organization (Akingbola, Rogers & Baluch, 2019). Similarly, *adaptation* encompasses an “incremental change that is intended to realign the organisation to the factors in the external environment” (Akingbola, Rogers & Baluch, 2019, p.12), and involves the organisation reacting to adapt to the external environment. Adaptation can be a change in practice such as adoption of technology to enhance what the organisation is already doing, which would be an example of digitalisation. Conversely, *recreation* involves reevaluating the entire organisation, including its core values via a discontinuous change. This recreation of the core elements to align the organisation with the environment would be an example of digital transformation. These distinctions between incremental and discontinuous changes — and between adaptation and recreation — were considered when analysing the data and categorising the changes being made by charities, to distinguish between digitalisation and digital transformation, with the latter involving radical and fundamental changes to the organisation. Categorising the changes as either digitalisation or digital transformation made it possible to process the data that was collected from respondents’ descriptions of the changes made in their charities and obtain the necessary results needed to answer the research questions.

Due to the anonymity promised to each respondent, instead of recording the interviews, both researchers joined the interviews, with one asking the questions, and the other transcribing the answers given to each question. Using this first-hand data, key digital changes that have enabled charities to continue operating throughout the pandemic have been highlighted. Next, the data was categorised in order to explore common methods used by charities to digitally develop their strategies. As outlined, the size of the respondent charities varies greatly in terms of size, service, and annual turnover. Therefore, when analysing the data, it was necessary to consider the differing factors of each charity, including size, number of employees, and budget, for the findings of the research to be relevant to a variety of charities.

As part of the data analysis, the internal changes made by respondent charities were also studied, regardless of whether they have digitalised or digitally transformed. During the interviews, senior management were asked how they have managed the digital changes that have been introduced during the pandemic, and how future changes will be implemented and managed. As noted in the previous chapter, it is the responsibility of senior management to ensure the organisation and its employees can adapt to the change. Therefore, as part of this data analysis, the internal changes made within respondent charities were considered in terms of new organisational practices and policies, new roles and responsibilities made to reflect the digital changes, and new training and learning opportunities provided to employees. This is to highlight

change management methods that have enabled charities to develop digital strategies to adapt, instead of relying on the traditional strategies that were used prior to the pandemic's restrictions.

3.6 Ethical Considerations

Ethical principles were carefully considered throughout the planning and execution of this research. Ethical principles are categorised into four areas; harm to participants, invasion of privacy, lack of informed consent, and deception (Bryman & Bell, 2015; Saunders, Lewis & Thornhill, 2009). Consent was obtained from all interview respondents to use the information they provided in this thesis — this was to avoid harm to participants or any invasion of privacy. As described in the Data Collection Methods section of this thesis, all interview respondents were informed that they would be kept anonymous throughout this thesis, as would their charities and any of its identifiable factors such as unique fundraising campaigns or events. This was to encourage respondents to be as open about the challenges their charity had been facing as possible, and to follow ethical considerations. In order to ensure this anonymity, descriptive pseudonyms are used throughout this thesis to identify each charity respondent interviewed. To obtain this informed consent, each respondent was contacted prior to their interview, via either email or LinkedIn messaging, to explain the purpose of this research, and how the answers that they provide would be used in this research. Several interview respondents asked to be sent the questions they would be asked (see Appendix 1) prior to the interview, and were sent a full list of the questions. This was done to ensure transparency and avoid any possibility of deception. As it was completely voluntary to participate in this study, each respondent decided if they were interested in the research and willing to take part in the interview, based on the explanation of the research purpose and the methods that would be used. By taking these initiatives with the ethical principles in mind, the research for this thesis has been conducted purely out of good faith and according to ethical standards.

3.7 Validity and Reliability

In qualitative research, validity relates to how appropriate the processes and data are, meaning how well the different parts of the research are aligned (Leung, 2015). It is important to use a suitable methodology to ensure that the right conclusions are drawn (Saunders, Lewis & Thornhill, 2016). The method of interviewing senior management professionals to identify what the best practices of digitalising and digitally transforming have been for charities, is the most suitable method of gathering first-hand qualitative data for the purposes of this research. To

ensure validity, all respondents have been guaranteed anonymity throughout the research, in order to encourage them to be open and honest about their charities' challenges during interviews, without fear of highlighting the weaknesses of their organisation. One major threat to validity, according to Robson (2002), is when the researchers are biased due to an initial use of a framework. In order to minimise any such threat, semi-structured interviews were conducted and questions were kept relatively open-ended, to avoid being concerned about how the data would be categorised until after the interviews had been completed. This ensured that the interviews focused on gathering information on the digital changes made by each charity, without being overly focused on whether the changes would be defined as digitalisation or digital transformation too early in the data collection process. The data analysed from existing secondary research undertaken from earlier surveys by *The Wheel* (2020), *Charities Institute Ireland* (2020; 2021), and *Charities Regulator Ireland* (2020), was also determined to be valid and reliable. This is because the research was relatively up to date, insofar as it acknowledged the impact of the pandemic. The research was also accurate and reliable, as the bodies conducting the surveys were well established, recognised, and independent bodies within the Irish charity sector. The purpose of gathering such secondary data was to gain a deeper contextual understanding of the impact of the pandemic charity sector in Ireland more generally, and was done so prior to developing theories of digitalisation, digital transformation, and change management. This meant that the research was done from an unbiased perspective, and without seeking any specific information for the research purposes of this thesis.

In qualitative research, reliability is concerned with whether or not other researchers undertaking the same research would come to the same conclusions (Ali & Yusof, 2011). Given that the conclusions of this research are based on the primary recurring challenges and opportunities discussed by the interview respondents, and given the prior lack of data available on the subject of specific changes made by charities throughout the pandemic, the conclusions of this thesis are reasonable and logically sound. However, in qualitative research, a certain extent of variance for results has to be accepted due to the nature of the research type (Leung, 2015). Silverman (2010) highlights the importance of illustrating assessed data in order for other researchers to have the opportunity to form their own independent conclusions, which also supports transparency of the presented findings (Saunders, Lewis & Thornhill, 2016). The reliability of the data presented in this thesis is ensured by highlighting the main topics discussed during each research interview, and drawing upon the common themes that appeared throughout the data collection for this research. This includes how digitally developing their organisations has enabled charities to overcome many challenges they have faced since the beginning of the pandemic. Despite a lack of specific existing data on this topic, reliability is ensured by highlighting the general position

that the sector was in prior to the pandemic in terms of technological advancements, and then highlighting the logical challenges that led from this position once digital capabilities were a necessity of surviving the restrictions of the pandemic. To ensure the generalisability of the findings of this thesis, differentiating factors of each respondents' charities, such as size, budget and number of employees, have been taken into consideration.

One potential drawback of the data collection methods is that interviews consisted exclusively of senior members of staff from each charity, such as Executive Directors, Chief Executive Officers, Managers and Heads of Departments. One possible disadvantage of this is that, although such respondents have the best overview of the changes made within their organisations, they may not face the practical and intricate challenges involved in developing the charity digitally at ground level. For example, speaking with several less senior members of staff from departments such as fundraising, human resources, or communications may have given a more nuanced understanding of the practical issues of relying on digital platforms. However, due to the time constraints of this research, it was more practical to gain an overall insight to the changes made in each charity, by interviewing senior management.

A potential drawback regarding the data analysis methods is that data gathered from interviews was analysed in accordance with relevant literature on digitalisation and digital transformation, and interview questions were formulated based on these theories. The drawback of categorising each charities' digital changes as either digital transformation or digitalisation is that it does not account for charities which have not made *any* digital changes to their strategies at all. However, due to the nature of the restriction imposed by the Irish Government during the pandemic which have prohibited many in-person activities, it was anticipated that all charities would have had to rely on certain digital methods to one extent or another, whether it involved marketing, staff communication, or any other aspect. Therefore, 'digitalisation' for the purposes of this thesis ranges from any minor adoption of new technology or increase in the use of existing digital strategies, to wholesale changes that fall just short of being defined as 'digital transformation'.

One final potential drawback of the data collection method, is that respondent charities vary greatly in terms of size and types of service. Therefore, as outlined above, when analysing the data, it is necessary to consider the differing factors of each charity, including size, number of employees, and budget, for the findings from this research to be relevant to a variety of charities. Any further research on this topic could benefit from having an even larger sample of respondents which includes charities of all sizes and services, to gain a more comprehensive understanding of the challenges faced by all organisations within the sector.

4 Empirical Results

4.1 Chapter Introduction

This chapter presents key findings of this research by outlining the main observations made in interviews. The findings cover aspects such as challenges that respondent charities have been faced with as a result of the pandemic, the digital changes they have made to overcome such challenges, and the extent to which these digital changes will be incorporated into their permanent strategies going forward. The findings also highlight methods used by senior management of respondent charities to manage the changes, including restructuring management teams, upgrading software, recruiting new staff, upskilling existing employees, and even fundamentally changing how their charity provides value to their beneficiaries.

As part of the initial research for this thesis, Liz Hughes, CEO of *Charities Institute Ireland*, was interviewed. *Charities Institute Ireland* is a body which supports Irish charities' growth and development by providing guidance and working with policy makers to create conditions for charities to be able to deliver their missions (Charities Institute Ireland, n.d.). From this interview, it was understood that the hesitation of charities to spend money in pursuit of new ideas for generating revenue — as suggested by Pallotta (2008) — had been reflected in Irish charities too. The CEO suggested that charities may have been reluctant to develop digital strategies due to financial constraints, and that prior to the pandemic, they could not make wholesale changes as this could lead to their beneficiaries suffering. In this interview it was explained that prior to the pandemic, charities did not take many risks as they could not afford to fail. This reflects what Pallotta (2008, p.127) refers to as the 'prohibition on failure' which restricts innovation and makes it difficult to raise more revenue and grow as an organisation. However, it was also explained that since the pandemic, Irish charities have had to change very quickly in terms of delivering services, fundraising, engaging volunteers, and staff working remotely. Without many alternatives due to the Government's restrictions, charities have had to accelerate digital developments, by embracing digital processes and technologies to change the way they work. It was clear from this interview that despite a sense of panic among charities at the beginning of the pandemic, those which adapted quickly to develop a digital presence fared better than those which did not, and the charities that failed to implement or adapt their digital strategies have struggled the most. It was also explained in this interview that *Charities Institute Ireland* believes that charities in Ireland will very likely adopt a hybrid approach to their strategies in the future, relying on both traditional and online methods for various aspects of their

organisations. As outlined in the Methodology chapter, as part of this initial research, professionals working in a variety of Irish charities were contacted to further understand the main changes they have made since the beginning of the pandemic. After gaining these initial insights, the research questions were formulated and finalised, and the formal interview process commenced.

The categories used to analyse the changes made to digital strategies include: fundraising, service provision, volunteer activity, and staff working arrangements. From these categories, this chapter outlines the challenges that have arisen from traditionally relying on non-digital methods, how those challenges have been overcome by using digital strategies, and what changes charities plan to incorporate into their strategies from now on. The first two sections of this chapter focus on answering the first research question of this thesis: ‘How has developing digital strategies enabled charities to overcome challenges of the pandemic?’

4.2 Challenges faced by Charities relying on Traditional Strategies

In order to present the digital changes that charities have made, it is necessary to first outline why such changes were necessary. This is done by highlighting the challenges that charities faced by relying on more traditional, non-digital methods of operating throughout the pandemic.

4.2.1 Challenges of Relying on Traditional Fundraising

A large amount of the fundraising done by respondent charities prior to the pandemic’s restrictions were carried out using traditional, in-person methods. Nine respondents said that their charity had relied on in-person fundraising, while others had been using digital fundraising to an extent but still running in-person campaigns which were halted by the pandemic. The restrictions imposed by the Government have prohibited large crowds from gathering, which has meant many charities had to cancel in-person fundraising campaigns. The restrictions also meant that traditional donation methods such as bucket collections and door-to-door collections were made very difficult. For example, a respondent from *Animal Welfare Charity Four* explained that their charity would normally run three or four large in-person fundraising events throughout the year, and were unable to do so during the pandemic. This respondent stated that in 2020, the management team in the charity decided that those traditional fundraising events would be difficult to replicate online as they consisted mainly of physical activities, and were therefore cancelled completely. These cancellations also impacted the charity’s efforts to build brand awareness as well as raising funds. A respondent from *Research Services Charity* explained that they too had been relying on traditional fundraising methods, and had invested a lot of time and

resources into developing an in-house team to fundraise at these face-to-face events. As these events were no longer possible throughout the pandemic, the return on this investment for this new team has not met initial expectations. A respondent from *Animal Welfare Charity Two* stated that their charity had traditionally been reliant on door-to-door fundraising and street fundraising, and despite trying out digital fundraising prior to the pandemic, this was not an aspect that was developed much. A respondent from *Health Services Charity Two* also stated that their charity had traditionally relied on community events that involved the physical engagement with supporters who wished to help to raise funds for the charity, as well as using traditional methods of collecting donations from members of the public, such as bucket collections.

However, some charities had moved some fundraising activities online even prior to the pandemic. For example, one respondent from *Health Service Charity Four* explained that they had moved several major events to a digital platform in the previous year and were therefore in a better position than many other charities in making the change to fully digital fundraising during the pandemic. Despite this, a lot of their fundraising was based on community events, and when this was all moved online, the charity was forced to reduce their overall fundraising targets for the first year. Another respondent, from *Social Services Charity Five*, stated that their charity also had a strong website and used several other platforms as part of their fundraising strategy prior to the pandemic. They felt that this made the transition to digital fundraising easier during the pandemic, but they were still required to adapt some major campaigns which traditionally involved in-person, physical activities such as running and cycling challenges. A third respondent, from *Social Services Charity Three*, said that they were lucky during the pandemic as they had been in the process of building a stronger online presence before the pandemic hit. This put them in a good position to handle the digital changes that have happened to their fundraising, as they were running some online events.

From the interviews, it was clear that respondents from charities which had been testing digital fundraising techniques and developing their strategies prior to the pandemic believed the transition to fully digital fundraising was less challenging than those which were relying more on traditional methods. However, one benefit that came out of this for all charities was that digital methods of digital fundraising that have been working well for them throughout the pandemic can take a more prominent role in their fundraising strategies going forward. For example, a respondent from *Social Services Charity Two* explained that although their charity was mainly using in-person fundraising methods beforehand, they had expected some aspects to become less important over time anyway. An example of this was their bucket collection method of fundraising, which was still an important part of their fundraising, however, they were beginning

to see a drop in funds being raised by using this method. Therefore, the switch to digital fundraising may have been likely to happen eventually, and was accelerated due to the restrictions of the pandemic.

4.2.2 Challenges of Relying on Traditional Service Provision

As with fundraising, many charities' services were carried out in-person prior to the pandemic's restrictions. Two respondents said their charities were using a mixed method of providing services both online and in-person prior to the pandemic, but the remaining twelve respondents said that their charities had primarily provided services in-person. For example, a respondent from *Social Services Charity Three* stated that due to the type of direct work that they do with vulnerable people, their organisation was "very much a face-to-face organisation". They added that their service centres were specifically designed for their core support. Due to the pandemic however, many of these services had to be stopped and new ways of providing services online had to be created. A second respondent, from *Social Services Charity Four*, stated that their charity's provision of services prior to the pandemic had primarily been done via in-person methods, and were "the backbone of the organisation". A third respondent, from *Research Services Charity*, explained that their beneficiaries have traditionally had face-to-face group meetings with professionals in attendance all over the country. While such meetings are capable of being carried out online in many cases, there are social aspects of in-person services such as community spirit that cannot be replicated as easily online.

For some charities however, many services they provide simply have to be done in-person due to the type of work they do and the beneficiaries they serve. For example, *Animal Welfare Charity Two's* respondent explained that one particular in-person service cannot be moved online due to its emotional aspect, where staff have been trained to deal with this aspect of the service, which would not be possible to do online. A respondent from *Animal Welfare Charity One* echoed this sentiment, by stating that "what we do is all about being hands-on", meaning many services require staff to be physically present. Another respondent, from *Health Services Charity One*, stated that most of their services are face-to-face due to their beneficiaries not having access to the technology required to carry out their services over the internet.

4.2.3 Challenges of Relying on Traditional Volunteer Interactions

Similar to fundraising and service provision, the ways in which many respondent charities have traditionally involved volunteers in their work have relied on in-person methods. All 14 respondents stated that their charities' volunteer activities have either been significantly reduced

or have stopped completely. This is due to the Government's restrictions as well as the general concerns about spreading the virus among staff, beneficiaries and volunteers. This concern about spreading the virus was paramount for many respondent charities, as their volunteers generally consist of people from an older age group who would be at an even greater risk if they contracted the virus. Therefore, for many charities, volunteer activities have been halted, and are yet to resume. A respondent from *Animal Welfare Charity One* stated that their charity would normally have a lot of retired people, corporate professionals, and school students coming in to volunteer, and all of this has stopped. This has meant that they have had to hire more paid part-time staff to carry out the work that would normally have been done by volunteers, which has added to the charity's costs. The hiatus in volunteer activity has financially affected the respondent charities in other areas too. For example, many charities had traditionally relied on volunteers to carry out fundraising activities outlined earlier, such as bucket collections, backpacking, and other in-person methods.

This is a difficult time for charities, not just for financial reasons, but also for the community aspect of their charities. A respondent from *Health Services Charity Five* explained that the volunteers from older generations would traditionally meet and greet people at the charity's premises in-person. They mentioned that this volunteering gives them a sense of gratitude and enjoyment that people may not realise, and that they get a lot out of these interactions themselves too. A further challenge of not being able to involve volunteers from an older age group in-person, as highlighted by a respondent from *Social Services Charity Four*, is that many are not as confident or comfortable with undertaking the digital volunteering activities that are possible to be carried out.

4.2.4 Challenges of Relying on Traditional Working Arrangements

Like most for-profit organisations, the majority of nonprofit organisations in Ireland traditionally had policies in place where staff would carry out their work in the organisations' offices. There are some charities which had certain policies in place prior to the pandemic where staff could work remotely where needed. However, all 14 respondents in this research stated that before the pandemic, their charities' staff had predominantly worked in the office. Two respondents added that their charities had a form of unofficial, flexible working policies in place where it was an accepted practice for staff to work remotely when necessary. Ever since the beginning of the pandemic however, the Irish Government's official advice has been for people to work from home where possible (Stedman, 2021).

One challenge many respondent charities faced in making the switch to remote working was that they did not have the systems in place to work remotely. For example, a respondent from *Health Services Charity Two* stated that their charity “sent people home with nothing at the beginning” and that there were challenges when it came to acquiring the technical equipment and digital platforms needed for working remotely. A related challenge was ensuring that employees felt confident in using such equipment and platforms. This challenge was echoed by *Animal Welfare Charity Two*’s respondent, who explained that they were not prepared for the “sudden move” as there was a lack of laptops and other equipment, and only one IT professional working in the charity to prepare them for the switch.

Fundraising	Services	Volunteers	Work Arrangements
Reduced ability to build brand awareness due to restrictions	Beneficiaries lack access to technology and internet	Older age group at greater risk of contracting	Policies tailored to in-office work
Decrease in cash donations via bucket collections, door-to-door collections, etc	Company premises built around in-person support	Volunteers less comfortable in switching to online activities	Lack of infrastructure and technology to accommodate remote working
Decrease in one-off payments due to outdated web pages	Reliant on social aspects - community spirit	More pressure on charity staff when volunteer numbers are low	Lack of digital skills among the workforce
Having to set smaller targets after the sudden switch to digital	Emotional aspects of certain types of services	Reliance on volunteers to carry out in-person fundraising activities	Company culture reliant on in-person development and innovation

Table 3. Shows a summary of challenges faced by charities when relying on traditional methods.

4.3 Digital strategies have enabled charities to overcome challenges

Having outlined the challenges of relying on traditional in-person strategies during the pandemic, this section focuses on how developing digital strategies has enabled charities to overcome the challenges, and improve various aspects of their charities.

4.3.1 The Digital Development of Fundraising

Due to the Government’s restrictions outlined above, all respondent charities have had to utilise digital fundraising methods in one form or another, as shown in Figure 5. Some charities have switched to digital fundraising without many issues, while others had initially faced difficulties in making the switch from traditional methods. For example, a respondent from *Social Services*

Charity One stated that their charity was slow to react to the change, but managed to implement digital methods that they had not considered before. They explained that they collaborated with a social media influencer to run an online campaign for the charity. This was not planned — as the influencer approached them — but this method worked really well for the charity. The respondent added that their charity then realised the value of digital fundraising, as it can result in significant financial returns. Another respondent, from *Social Services Charity Two*, explained that when their charity was making the switch to digital fundraising, they “did not panic” and “had a sit down with the Head of Fundraising to plan a digital campaign”. They explained that this campaign was not expensive, as they had tested digital fundraising before, but not to the extent that was needed to switch completely to digital. This respondent stated that the outcome of this digital campaign was positive and helped the charity overcome the fundraising challenges of the pandemic. A respondent from *Animal Welfare Charity One* said that the biggest challenge that their charity faced when making the switch to digital fundraising was figuring out how to turn traditionally in-person campaigns into digital campaigns. Certain activities have been moved online, but due to the lack of physical interaction, they have been running for a shorter duration than if they were held in-person. Despite this, the respondent notes that the online campaigns have been well-supported by donors and have been a good way to continue interacting with the public despite the restrictions of the pandemic.

In terms of the specific methods used by charities in digital fundraising, various platforms have been successful. For example, *Health Services Charity Five*’s respondent outlined that they have been using platforms such as *My Legacy*, *GoFundMe*, *Thriftify*, and similar websites to receive donations from the public. The respondent stated that “the old-fashioned ways of cash and cheque have been dropped” and that people from all generations have had to adapt to digital giving. They added that the only downside of these platforms is that there is an admin fee for using them, but this is still less expensive than running on-site fundraising events which involve other costs such as refreshments and food for visitors. This respondent said that their charity has transitioned to digital fundraising well, and that digital campaigns have been successful. Another respondent, from *Animal Welfare Charity Three*, stated that their charity has been using *Facebook Live* during the pandemic to engage supporters in fundraising activities. For example, their traditional in-person raffle was run online during the pandemic, where the draw was made on the livestream. This meant that the reach for the raffle was worldwide, and the respondent stated that they would never have been able to reach the number of people in so many countries if they were using the traditional method used before.

Many respondent charities have been investing resources in digital fundraising strategies that they would not have been doing before. These investments have gone towards areas such as updating their own websites and sponsoring posts on social media to raise awareness of their campaigns. A respondent from *Social Services Charity Four* explained that their charity's campaigns are “done on a shoestring budget” and that they do not generally spend money on digital campaigns. However, they did carry out some online and social media testing throughout the pandemic to see what works best for them. They adapted to digital donations and moved away from physical donations such as cash and cheques, and managed to run a successful campaign during this period. This shows that the switch to digital fundraising is generally accessible to all charities, even with smaller budgets.

4.3.2 The Digital Development of Service Provision

As outlined, certain services are difficult to provide online due to the nature of the service itself, or due to beneficiaries not having access to the equipment needed to receive support digitally. However, as shown in Figure 5, the vast majority of respondent charities have moved aspects of their services online — to various extents — to overcome the challenges of the pandemic. Like fundraising, there were certain fees involved in making the switch to online service provision, such as paying for licences for platforms such as *Zoom* or *DocuSign*. However, these technologies have helped many charities reach their beneficiaries throughout the pandemic, and for some charities, have also been less expensive than traditional methods. A respondent from *Social Services Charity Three* explained that the pandemic has altered the way in which their charity provides services, stating that in the initial months of making the switch to online services, it took “enormous amounts of will from everyone, but has been successful”. They added that while online services are not the same as face-to-face services, they have been vital for providing the support needed throughout the pandemic. A respondent from *Research Services Charity* stated that by moving their face-to-face support group services online — by using platforms such as *Zoom* and *Facebook* — they have been able to reach “multiples of the numbers” of beneficiaries than they had been reaching in the years prior to the pandemic. Similarly, a respondent from *Health Services Charity Five* stated that a lot of their charity's services have moved online and that “all of it has been working well” due to participation in group activities actually increasing. They explained that online services are easier for beneficiaries, as they do not have to travel to the charity's premises to avail of the services they provide. This belief was also shared by a respondent from *Health Services Charity Two*, who said that moving services online has been “a huge positive”, adding that beneficiaries who live in remote areas would have previously been less likely to leave their homes to avail of the charity's services, but can now join from the comfort of their own homes.

This convenience of moving services online extends to the staff providing the service too, as a respondent from *Health Services Charity Four* highlighted. They stated that by moving from “almost 100%” of services being face-to-face, to now providing video, phone, and online support, they have been able to reach people in more remote areas of the country for longer periods of the day as there is no travel involved for staff. This means that staff have the flexibility to provide their service in various areas of the country on the same day, and avoid travel costs. Some charities, however, recognise the convenience of moving services online for their staff, but are wary of the effect it may have on beneficiaries. For example, a respondent from *Health Services Charity One* explained that while there are many advantages of technology, such as cost-effectiveness and increased reach, not everyone will benefit from these advantages. They stated that the way in which services should be provided — whether digitally or physically — will depend on the beneficiary and how comfortable they are with each method. The respondent went on to explain that “there’s no point in us thinking clients will use [online services] and not asking them first”. However, the respondent does recognise the increasing need for using online services, and have recruited staff specifically for the online services of their organisation in order to be in a position to provide services both digitally and in-person, to meet the needs and preferences of as many beneficiaries as possible.

4.3.3 The Digital Development of Volunteer Interactions

As described in the previous section, many in-person volunteering activities have been completely halted due to the restrictions imposed by the Irish Government during the pandemic. To overcome this, many respondents have said that increased efforts have been made by their charities to keep volunteers engaged online. For example, by using social media platforms to keep communication with the volunteers going, charities have been able to mitigate the lack of physical contact with them. A respondent from *Social Services Charity Three* explained that while the lack of volunteers has “probably been the worst part of the pandemic”, they continue to interact with them on social media to “try to keep them warm, as they are all eager to come back”. *Health Services Charity Five* have also been trying to keep volunteers engaged in this way, but the respondent from this charity admits that accommodating volunteers online took longer than expected as the charity tried to move other aspects online first, such as service provision and fundraising. Keeping volunteers engaged on social media is not always easy to do over an indefinite period of time, as pointed out by a respondent from *Health Services Charity Four*. They recall that while their volunteers had adapted well at the beginning of the pandemic, they have suffered from the desire of doing voluntary work in-person. They added that trying to keep people motivated has been an issue, and it has become more difficult to keep them involved the longer the pandemic has continued. This concern was shared by *Health Services Charity*

Three's respondent, who stated that their charity's "big concern is around losing our connection to those volunteers who had to take a step back, and the direct impact on them and their wellbeing". Again, this respondent explained that the only way to improve the communication with the volunteers has been to keep them involved and connected online, but this has been a challenge.

Some charities have also been able to move volunteers' activities online, meaning that they have continued to play an important role from their own homes. For example, *Research Services Charity* have seen an increase in volunteers working on client support, meaning that volunteer activities have actually expanded to even more areas during the pandemic, as it had previously consisted mainly of fundraising activities. Moving volunteers' activities online has not been as successful for other respondent charities, however. *Social Services Charity Four* had asked some volunteers to carry out activities from home, but have found that not all volunteers are happy about this type of work and do not enjoy switching to different types of volunteering that they are not used to. To overcome this, this charity asked those volunteers to take a break from their volunteer work, instead of risking losing them completely. As a respondent from *Animal Welfare Charity Two* explains, losing volunteers has been painful financially, painful for staff, and painful for volunteers themselves. They added that their charity is used to having regular volunteers and the "cheery atmosphere" that they bring. Since the volunteers have been absent, this respondent says that "the heart has been cut out of [the] charity". Overall, as shown in Figure 5, the fact that restrictions have meant volunteers cannot carry out their usual activities appears to be the most difficult hurdle for charities to overcome by using digital strategies.

4.3.4 The Digital Development of the Work Arrangements

As outlined in Figure 5, all 14 respondent charities have had staff working remotely during the pandemic, in one form or another. Some have been able to move all staff to remote working, while others have required certain staff to be physically present to carry out their work. In order to facilitate staff working remotely, charities have begun using digital platforms such as *Microsoft Teams*, *Zoom*, or *Google Workspace*, and many have also acquired laptops and other equipment for employees to work remotely. Most respondent charities were supported by corporate partners in making these changes. For example, *Social Services Charity One* worked with a company that helped them improve their systems by upgrading them to *Salesforce*, and also by upskilling their staff in using this platform. During their switch to remote working, *Social Services Charity Two's* management team assessed what equipment employees needed to work remotely, and then acquired the necessary items from corporate partners. *Health Services Charity Four* received technological equipment such as laptops and tablets from their corporate partners.

Another form of assistance from corporations, as explained by *Health Services Charity Two's* respondent, has been discounted licence rates for the use of platforms such as *Zoom*.

Some charities, such as *Social Services Charity Two*, already had the infrastructure in place for employees to work remotely, so making this change was a quicker process than for other charities. *Health Services Charity Five's* administrative and finance teams also had laptops prior to the pandemic, so the switch to remote working was less challenging for them too. Despite this infrastructure being in place, there were still some initial challenges that employees faced in making such a sudden change. In order to overcome challenges involved in remote working, many charities had some form of working-from-home training for their employees. For example, once *Social Services Charity Three* had moved all head office staff to work remotely, they were given a “crash course on digital” to become familiar with the new systems. *Animal Welfare Charity Two's* respondent explained that due to the sudden move to remote working, managers have also been trained to keep in touch more regularly with staff and to be aware of potential mental health issues or other challenges that may arise from them working remotely.

Other charities were not in as fortunate a position to have the infrastructure in place to switch as easily to remote working. A respondent from *Social Services Charity One* stated that for most of the pandemic, their charity has needed employees to be present in the office to answer phones, as they have an old phone system in place which does not allow them to work remotely. This problem is now being overcome however, as stated by the respondent during the interview, as the charity had been transitioning to new systems which would allow more employees to work remotely. A similar challenge was present in *Health Services Charity Two*, where staff were initially sent home with no equipment at the beginning of the pandemic. Even when employees did receive laptops, the charity's office network was unable to deal with everyone working remotely, and was frequently crashing. Several respondents have stated that despite the initial teething problems that were involved with making the switch to remote working, it is now no longer an issue for their charities. *Animal Welfare Charity One's* respondent has said that “sixty to seventy percent” of their staff are now working remotely, and there “have not been any challenges with this once everyone was technically set-up at home”. Other respondents were more wary of the difficulties that can arise from working remotely. For example, a respondent from *Health Services Charity One* stated that some of their staff are “starting to get anxious to get back into the office”, due to the fact that they are missing the social connection of working in the office. Another issue highlighted by this respondent is that employees are working longer hours from home, and that they need to be self-disciplined regarding their work-life balance in order for remote working to be sustainable for them and the organisation.

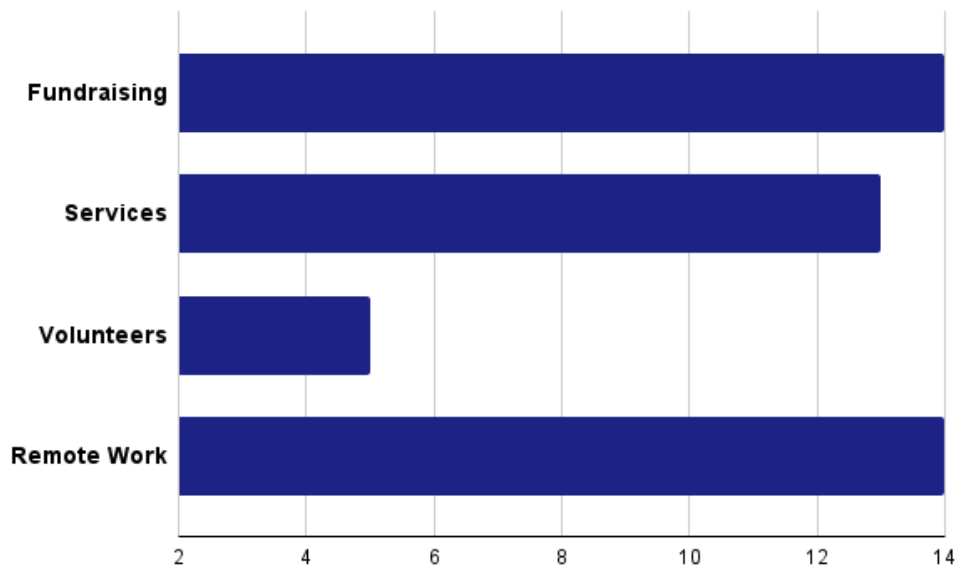


Fig.5. Areas charities have adapted digital strategies to overcome challenges

4.4 Digital changes that will be incorporated into future strategies

The final two sections of this chapter focus on the second research question: ‘Which digital changes will be incorporated into charities’ strategies going forward on a more permanent basis, and how will these changes be managed?’ Many respondents saw huge benefits from the digital changes their charities have made. By switching from traditional to digital strategies for fundraising, service provision, remote working, and volunteer involvement, many charities have learnt new ways of running their organisations. The digital changes that charities have made happened at such speed mainly due to the fact that there were very few alternatives during the pandemic. That being said, charities can now assess which aspects of their strategies work better online, and incorporate them into their strategies on a more permanent basis. As noted by more than one respondent in this research: “You should never waste a good crisis”.

4.4.1 Digital Fundraising

Switching from in-person to digital fundraising has perhaps been the most successful change made by charities during the pandemic. A respondent from *Social Services Charity One* stated that their charity has “really seen the value in terms of the donations that have been made”. They added that they “never thought they would raise the amount of money [that they have done]” and that during the pandemic, they have “learned the value of getting the charity’s message out

there”. A respondent from *Social Services Charity Five* was similarly optimistic about digital fundraising, stating that fundraising is “much more streamlined now than it was before. Events like pub quizzes have been way more successful with a bigger reach online, [so] this will continue”. *Animal Welfare Charity Three*’s respondent explained that the biggest benefit of digital fundraising for their charity, was that it “pushed [them] to come up with different ways to fundraise that are not in-person”. This has resulted in the charity having a greater variety of fundraising events and campaigns to use in the future. *Research Services Charity* have also seen the benefits of digital fundraising. Their respondent stated that one of their primary events that would normally involve people meeting up physically was moved online, and broke records regarding the net fundraising for the charity. They added that since the pandemic, this particular event has been carried out online twice, and is now slicker after having been tried and tested. As a result, this charity is planning to continue this new way of fundraising even after restrictions of the pandemic are lifted.

Despite the advantages of digital fundraising, several respondents highlighted that there are also pitfalls that need to be considered when doing so. *Social Services Charity One*’s respondent explained that it’s important for charities to “know they need to get the message right for the online campaigns, so that people don’t become sick of the saturated messages”. At a time where many charities are moving their fundraising effort online concurrently, there may be a danger that their message will get lost among the plethora of campaigns by other charities who may target the same audience for support. To overcome this, the respondent suggests that charities should “figure out their core audience and adjust the campaigns to reach them and potential new targets”. Another potential drawback of digital fundraising, as noted by the same respondent, is that it reduced the community feeling of meeting in person: “People will be dying to do things in groups when the pandemic ends, [so] it’s hard to predict what will happen, but I can’t see there *not* being an element of online events after the pandemic”.

Due to the overall positive results from digital fundraising, many charities are planning to incorporate it into their strategies for the future, either fully or as a hybrid alongside traditional fundraising methods. *Social Services Charity One*’s respondent stated that “going forward, there will always be an element of digital to normal events, as it shows people who live all over the country can get involved [in campaigns]”. Another benefit, they said, is that there is less time needed to organise digital campaigns, and fewer people on-site, meaning it is also a cheaper way to do it. *Social Services Charity Three* is planning to continue the traditional methods of fundraising, such as door-to-door collections for monthly donations, but will move fundraising efforts online for “one-off donations” once the restrictions are lifted. This plan of having a hybrid

approach was reflected in the majority of the interviews. A respondent from *Animal Welfare Charity One* stated that “digital fundraising will definitely be used in the future” but that “the physical attendance of events is very important for [the] charity too”. They added that while certain events will continue online as they can reach a wider audience, events that require the physical attendance of supporters will likely go back to being run in-person. *Animal Welfare Charity Two*’s respondent stated that although their charity has trialled it in the past, they will now be making a greater switch to digital fundraising, and have now hired full-time staff to focus on digital fundraising. Some charities are planning to move their fundraising efforts predominantly online. *Health Services Charity Four*’s respondent explained that they plan to be “digital-first” when it comes to fundraising, adding that “even though in-person events will come back, you would still want to organise it digitally”. The benefit of being “digital-first”, the respondent explains, is that it can reduce the cost of events. Overall, respondents have indicated that their charities have learned a lot about the successes of digital fundraising. Although some events and campaigns will return to the more traditional methods of being carried out in-person, many digital methods will remain and will likely become even more popular.

4.4.2 Online Service Provision

Similar to fundraising online, providing services online has had many benefits for charities. While certain services do not transition from in-person to digital as well as others, many services work even better online; a wider audience of beneficiaries can be reached, and in many cases, it is more cost-effective to carry out services online. Many charities are planning to maintain the aspects of online service provision that have worked well, while returning to traditional methods for aspects that work better in-person, and incorporating both into a new hybrid model for the future. A respondent from *Social Services Charity Two*, when speaking of the benefits of online service provision, explained that fewer beneficiaries are required to queue up outside the charity’s premises now that their services are available online. This means that not only is it more convenient for beneficiaries to receive the support they need from anywhere, it also provides them with greater privacy than having to be physically present at the premises. *Animal Welfare Charity One*’s respondent was equally optimistic about the possibilities that online service provision brings, stating that many of their key services have been “much quicker and smoother”, and have had a “much greater reach in terms of audiences around the country” since moving online. Relying on online services during the pandemic has also led to lessons being learned by *Health Services Charity Five*. The respondent from this charity said that they have learned that their beneficiaries do not actually need to come into their premises to benefit from their services, and that although the atmosphere is difficult to replicate online, it has the advantage of being accessible to anyone in the country regardless of where they live.

As mentioned, some services are more suited to being provided in-person rather than online. For example, a respondent from *Health Services Charity Four* stated that many of their beneficiaries simply do not have the Wi-Fi, phones, or laptops needed to receive support digitally. Another downside is that many beneficiaries do not have the private space needed for having confidential meetings online. *Health Services Charity One's* respondent stated that the services that have been moved online have been met with mixed results. They explained that while some beneficiaries have reported good engagement with their charity, others have expressed a preference for face-to-face services to be re-established as soon as possible. A respondent from *Health Services Charity Two* had similar concerns about online service provision. They stated that although some of the digital changes that have been forced by the pandemic are here to stay, there will also be a return to physical settings in order to meet the needs of certain beneficiaries. This brings its own challenges; having to embrace the digital changes that have made it possible to serve a group of beneficiaries that they would not have been able to before, while at the same time providing traditional services to those who are not comfortable with using online services. The respondent from *Health Services Charity Three* acknowledged this concern, but does not believe this will be as big a challenge as it may have been in the past: "I think there is an opportunity that people who use our services may be more open to online service delivery now, given how we've all had to get used to technology and online delivery, in a way which we have not done a year or two ago".

In terms of planning for the future, *Social Services Charity Three's* respondent stated that not only will their charity not reduce the online services that they have been providing throughout the pandemic, but they will also increase them. The respondent expects their charity to adopt a hybrid approach to providing services online: "There will be a bit of traditional coming back when it's allowed, but certainly there will be more digital". Similarly, *Social Services Charity Four* will continue the online services that they have been providing throughout the pandemic. This respondent stated that their online services are "an easy way to provide a nationwide service and create a bigger reach", but qualified this by adding that they are also planning to return to certain in-person service provision when it is allowed. Throughout the pandemic, many charities have faced concerns when moving services online, such as whether beneficiaries would be as engaged or as comfortable with the changes. However, many have also been able to overcome these concerns over time, meaning that online service provision has been continuously improved and in some cases a preferable alternative to traditional methods. As the respondent from *Animal Welfare Charity Two* had stated, despite the "initial hiccups of moving services online", it is likely here to stay.

4.4.3 Volunteer Interaction and Involvement Online

As described in the previous section, the restrictions imposed by the Government to reduce the spread of COVID-19 have meant volunteers cannot carry out their usual in-person activities in charities. While this appears to be the most difficult challenge during the pandemic for respondent charities to overcome using digital methods, some charities have still benefited from novel ways of engaging and involving their volunteers online. For example, a respondent from *Social Services Charity One* stated that they are now planning to treat social media influencers as volunteers now too, as they “raise phenomenal amounts [of money]” by running fundraising campaigns among their own followers, on behalf of the charity. Another benefit that has come out of involving volunteers online, as noted by the majority of respondents, is that it increases the interaction with volunteers who cannot physically visit their charities. This can in turn improve the online awareness of their charities. However, all respondents are expecting the majority, if not all, of their volunteer activity to return to the traditional, in-person methods as soon as possible. As noted by a respondent from *Health Services Charity Two*: “although there are huge positives of having to go digital, there is always a space in our world for the physical. Some people who want to meet, and who are not into technology, will never embrace *Zoom*, and are just sitting waiting for the pandemic to be over”. It is clear from speaking with respondents that trying to move volunteers’ activities online has been very difficult, and it is therefore expected that this aspect of their organisation will return to traditional methods, with many volunteers favouring meeting in-person.

4.4.4 Staff Working Remotely

While some charities already had the infrastructure in place to switch to remote working easily, others needed to acquire the equipment and infrastructure to do so. Regardless of how prepared charities had been for making the initial switch to working remotely, all needed to ensure staff were adapting well to the new working arrangements, by having training sessions and regular meetings. For many respondent charities, staff have now been working remotely for over a year, and they can now assess the benefits of remote working in order to decide how — if at all — it should be incorporated into their work arrangement policies going forward. For *Social Services Charity One*, most employees welcomed the switch. This charity’s respondent expects a blended, flexible approach to be taken in terms of working remotely and returning to the office. *Social Services Charity Two*’s respondent also believes that there will be a mix of office and remote working going forward, now that staff have benefitted from training courses throughout the pandemic, and are now more comfortable working remotely. This respondent added that for the future, it is likely that staff can work in the office if they prefer, but will only occasionally be required to do so. This is because meetings can be arranged more easily now, which facilitates

cross-functional collaboration within the charity more efficiently than needing everyone to be present in a boardroom. A similar benefit of remote working was highlighted by a respondent from *Social Services Charity Three*. They stated that prior to the switch, they would only very rarely see people from different offices, but now they see more of them, and “know their names and faces now”. *Social Services Charity Five*’s respondent shared this appreciation of having meetings online now. They explained that prior to working remotely, they had “in-person meetings all over the country, when there was no need for [them to be in-person]”. Since this has been done digitally, they have been able to meet with even more clients, and the time and money spent on travelling has been eliminated. A further benefit of remote working has been the focus that has been placed on the mental wellbeing of employees. A respondent from *Animal Welfare Charity Two* stated that the meetings about mental health have proven to be essential and very positive, adding that this new “mental health ethos will now be a part of [the charity’s] culture for good”.

Despite the benefits of working remotely and the systems and infrastructure now being in place, many employees are looking forward to returning to the office. One challenge of working remotely — as highlighted by a respondent from *Animal Welfare Charity Three* — has been that collaboration among senior staff can be affected. They said that it has been difficult for their leadership team to have strategy meetings digitally, and that they “cannot have a proper brainstorming session” without being present in the same room. This challenge was also noted by a respondent from *Health Services Charity Two*, who suggested that the biggest challenge “isn’t a technical one – it’s a cultural one”. They added that maintaining the strength of their culture is hugely important to them, but has been challenged by working remotely for so long. Similarly, a respondent from *Social Services Charity Five* stated that working remotely is a challenge for younger and less experienced employees, who may not be developing and growing as quickly as they would have liked, or as quickly as management would have expected them to if they were in the office environment. The switch to remote working has meant that such employees are not constantly surrounded by more experienced employees to learn from or to get advice from. The lack of social connection that comes with working in the office has also been highlighted by many respondents. A respondent from *Social Services Charity Two* explained that a lot of staff “miss the personal interaction in meetings”. One reason why this charity’s employees are looking forward to returning to working in the office is that there are too many meetings taking place now that it is easier to organise meetings at a shorter notice online. They believe that this makes it more difficult for staff to balance their time and manage their workloads. *Social Services Charity Four*’s respondent stated that, because they are a smaller charity, their employees “will return to the office as soon as they can so they can have all hands

on deck”. A respondent from *Health Services Charity Three* explained that their charity had previously suffered from inertia, as they are “an old organisation that is traditional in a lot of ways”. This respondent acknowledged that although their charity needed to make changes to become more modern anyway, there had been internal resistance from staff regarding these changes. They explained that the pandemic meant that this resistance was overcome because nobody had a choice but to accept the changes due to the restrictions. They described this as “fast-tracking the changes”, and that their charity “got over the first hurdle of the transformation by accident”, but now everyone sees that everything can be done digitally, the internal resistance is now gone.

Switching to remote working has had more practical benefits for charities that have not been able to provide services online, due to the nature of the service they provide. A respondent from *Health Services Charity One* explained that moving employees who could carry out their work remotely (such as staff from fundraising, HR, finance, or communication departments) to do so, has meant that more space has been made available for service provision. They explained that due to the limited space available at their premises, the charity would have needed to adapt how they work eventually anyway: “What we anticipate is increased face-to-face for [beneficiaries] but not necessarily for staff. That’s why we recruit people with digital experience now, as face-to-face for [beneficiaries] is a priority”. This charity now has a structured remote-working policy which will be implemented going forward. The respondent added: “I don’t think people will be back in the office five days a week... given that we are limited on space after giving space to services”.

Overall, it seems that charities are preparing for a hybrid model of working remotely and working in the office. Many staff enjoy the flexibility of being able to work remotely as well as in the office, and charities are likely to adopt working arrangements to reflect this once the restrictions of the pandemic are lifted. A respondent from *Health Services Charity Four* explains that as an organisation, they will be asking themselves “how to make the office work more purposeful, rather than everyone working at their desks when they can do that at home”. They added that with the flexibility of being able to work remotely, they have been able to hire people based purely on their skills without having to worry about their location. The same respondent stated that they think this hybrid model of working will be embraced by more and more charities on a more permanent basis. Below, you will find a summary of the digital aspects that respondents have said will be incorporated into their charities’ strategies on a more long-term basis even after the pandemic’s restrictions have been lifted.

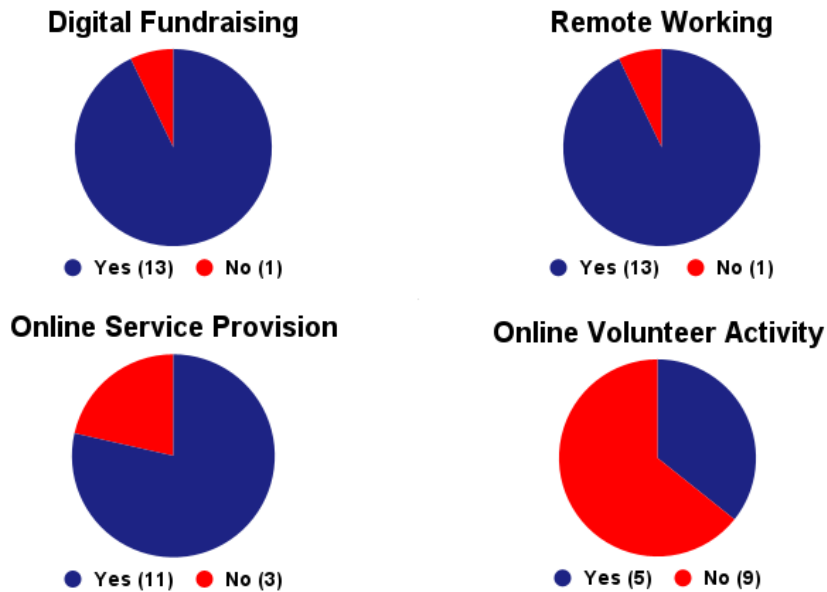


Fig 6. Digital Aspects that will be incorporated into permanent strategies

4.5 How Digital Changes are being Managed in Charities

Having outlined the digital changes that will likely be incorporated into charities’ strategies going forward, this final section focuses on how these changes are being managed. Some of the respondents’ charities had planned to move some aspects of their organisations online eventually, and these plans have been accelerated by the challenges of the pandemic. However, many respondents have said that their charities did not have any plans to digitally adapt organisational aspects such as fundraising, service provision, volunteer activities, or staff working arrangements. All Irish charities, even those who have described themselves as “traditional” or as facing “resistance” in making digital changes, have had to do so in one way or another. As mentioned, several respondents used the phrase “never waste a good crisis”, meaning that the pandemic presented an opportunity to make changes in a shorter time period. As *Animal Welfare Charity Two*’s respondent explained: “a three-year organisational change had to happen in three-to-six months, and a cultural journey happened in six-to-nine months that would usually take three-to-five years”. This section outlines how senior management teams within respondent charities have been managing the digital changes made to their strategies. Such change management methods include training staff in the use of digital technologies, recruiting new employees with digital expertise, digitally adapting existing organisational strategies, and implementing brand new digital systems. A summary of the data relating to these change management methods can be found in Appendix 2.

4.5.1 Training and Recruiting Staff

As many charities have traditionally relied on face-to-face fundraising events, providing services in-person, staff working in the office, and the physical involvement of volunteers, it was likely that skills gaps would be created by the digital changes made by charities. As noted in the Theoretical Framework, one way to overcome such skill gaps is to move rapidly to create targeted learning opportunities to close these gaps (Brightman & Moran, 2000). Senior management teams must provide a vision to staff and create a structure for the organisation, and then encourage staff participation in the change to integrate the change on a personal level and sustain it organisationally (Brightman & Moran, 2000). Senior management must also update and develop new roles and responsibilities that reflect new performance demands to ensure the organisation and its employees have the required skills to adapt to the change (Brightman & Moran, 2000). The extent and speed of changes made by charities regarding staff working arrangements, has meant that is an area which needs to be managed carefully. Many fundraising professionals switched to doing their jobs online, many front-line workers switched to providing services online, and the majority of employees in charities switched from working in the office to working remotely. This has meant that the senior management teams have needed to provide training and support to employees to help them in these changes.

For example, management teams from both *Animal Welfare Charity Two* and *Health Services Charity Five* have spent time training staff to use digital platforms, such as *Zoom*, in order for them to feel comfortable carrying out their work remotely. However, this communication went beyond simply training them how to use such software. A respondent from *Animal Welfare Charity Two* explained that in order to ensure employees' wellbeing when working remotely, they are having more conversations with staff about mental health, and training managers to be aware of issues in this regard. They added that the management team has focused on how they can reconnect with staff now they do not see each other as regularly as when they were in the office. This involved "much more active management and much more phone calls, because we have to mind each other". Similarly, *Social Services Charity Three's* respondent stated that in order to maintain the connection with staff, all employees meet at 11:00 every morning to have "a virtual coffee break for saying hello and chatting". *Health Services Charity One* have also been having more meetings which are "very casual and connecting, and have been really good because people are tired because of COVID-19 and this is one way to keep morale high". Finally, *Research Services Charity's* respondent explained that they have also increased staff communication since the switch to remote working, and that the office's "informal water cooler

chat” has now been formalised. This has meant that management teams have had to learn how to interact with employees differently than they traditionally would have done in the office.

In order to manage the changes being made, some charities have recruited new employees with digital expertise. *Animal Welfare Charity One*’s respondent stated that as a result of the digital changes that have been made, their charity has appointed a Head of Digital for the first time in its history. This new employee will focus on digital aspects such as social media, e-commerce, and developing their website. *Social Services Charity Three*’s respondent stated that throughout the pandemic, their charity has focused more on developing corporate partnerships online in order to raise funds. As this area of fundraising has increased since the pandemic for this charity, they have recruited a manager specifically to work with developing corporate partnerships online. Similarly, a respondent from *Social Services Charity Five* stated that their charity has also created, and filled, a new position for a corporate manager now that corporate partnerships is an area of their charity that has grown in importance. Contrastingly, a respondent from *Animal Welfare Charity Two* explained that instead of recruiting new employees, they restructured roles for existing employees. They stated that they have “had a lot of upskilling for staff” and had been training employees to work in their new roles as part of this change management. Similarly, *Health Services Charity Five*’s respondent explained that although their charity had a member of staff leave during the pandemic, rather than replacing them, they created a new role which was more focused on digital aspects of their fundraising and marketing strategy.

4.5.2 Adapting Existing Strategies to Adjust to the Digital Changes

As described in previous sections of this chapter, prior to the pandemic’s restrictions, several charities had the necessary software and equipment in place to move certain organisational aspects online relatively easily. A respondent from *Health Services Charity Four* suggested why some charities had these in place prior to the pandemic, and why other charities may not have. They explained that their charity’s business model and ethos has meant that they had invested in the necessary infrastructure prior to the pandemic: “We are a charity, but there are business principles in the way we are run. Other charities set up the opposite way can find investing in technology challenging”. This suggestion was also reflected in an interview with *Animal Welfare Charity One*’s respondent, who also believed that the reason that they had a lot of the necessary technology in place prior to the pandemic and were therefore doing better than some other charities, is because they “look at their charity like a business”. Despite having the infrastructure in place to make the initial switches to digital fundraising, online service provision, remote working, or online volunteer engagement, those charities still needed to restructure their strategies, and management teams needed to adapt to those necessary changes.

For example, *Social Services Charity Two*'s respondent stated that during the pandemic, they developed a new three-year business plan to view their charity more as a business so that they can grow even more in the coming years. The respondent stated that they are now focusing more on who their target audience is, what their unique selling propositions are, who their competitors are. They added that all of the digital changes brought focus and attention to detail in regard to new ways of generating revenue streams, both by using digital and non-digital strategies. A respondent from *Animal Welfare Charity Three* also stated that although their charity was fortunate enough to have facilities in place which made switching to digital strategies easier, the challenges of the pandemic also forced them to do things differently: "We've had to be more inventive and adaptive because we have no choice. It has made us more flexible and agile, which can only be a good thing". Similarly, a respondent from *Research Services Charity* stated that they are now in the process of reshaping their entire digital team. They said that their charity had initially used consultancy firms to help develop their digital strategies, but this process is now being restructured. The respondent explained that they are developing a plan to run their digital services themselves and are recruiting internal staff to do so. Another existing strategy which needed to be adapted to the digital changes was highlighted by a respondent from *Social Services Charity Five*. The methods used to develop corporate partnerships have changed for this charity throughout the pandemic. The initial change simply focused on becoming comfortable with making a pitch to a potential partner over a screen due to the restrictions. However, this led to the charity thinking more strategically about the messages they were delivering to potential partners and how they were opening those relationships. After being forced to make these presentations online, the charity introduced a new method of developing their branding and making more bespoke messages for potential partners. These new ideas for building corporate partnerships were a result of having the meetings digitally, and led to the charity receiving greater support, with the respondent adding that "all of this has been brilliant".

Therefore, although several charities had elements of digital strategies in place prior to the pandemic, they have had to make adjustments to many aspects of those strategies and digitally adapt to new ways of working throughout the pandemic. In order to ensure these changes were being managed, many respondents have said that their senior management teams have been meeting far more frequently than they would have traditionally. For example, *Health Services Charity Four*'s respondent stated that they have gone from "meeting as a senior management team from once a month, to twice a week". This is done to ensure that the changes being made to existing strategies are implemented and maintained successfully.

4.5.3 Implementing New Digital Systems and Technologies

Although several charities already had the infrastructure in place to make certain digital changes without having to transform their organisations, many charities were not as fortunate. Those charities which relied on traditional, in-person methods of carrying out activities — such as fundraising, service provision, volunteer activities, and working arrangements — had to reinvent themselves in various ways. Many of these charities have begun using technology to change their strategy, revenue streams, and operations, to improve their reach and performance. This is to leverage the opportunities brought by technologies and to help them operate in an increasingly digital environment during the pandemic. Therefore, many of these charities have gone through digital transformation. One respondent from *Health Services Charity Five*, when describing the level of change that switching to digital methods has brought to their charity, stated that their charity has been “putting effort into digital that [they] wouldn’t have done before”. They explained that they have been investing resources into areas such as digital marketing, social media presence, website performance, and promoting campaigns through sponsored advertisements. As this would not have been a priority of this charity previously, this change has not only led to digital platforms being used, but also to staff being retrained. This respondent added that the changes brought about by switching to digital have proven to be beneficial in terms of cost-efficiency, explaining that “digital fundraising and marketing tools are not as resource intensive” as in-person methods. They also noted that the ways in which senior management operate has improved: “Board meetings are easier to organise now. They involve a lot of people trying to get together, so this has become more efficient online”. A further respondent, from *Health Services Charity One*, explained how moving to digital has changed many practices that were in place for a long time, leading to many positives. They described how one particular service that they provide would normally take three months due to waiting periods, but can now be done in a matter of days. This is because access to necessary materials has been sped up, and this increased efficiency is a direct result of using digital methods. The respondent added that these changes may not have been made had it not been for the pressures of relying on digital methods during the pandemic: “The change has been non-stop. The reality about this is that it has removed some of the entrenchment of doing things in the ways they have always been done”. On the subject of social media, the respondent jokingly rolled their eyes and described themselves as “a dinosaur”, but now that the charity is using this a lot more than they have done previously, the respondent has someone to help manage their social media as it has proven to be beneficial.

As some charities did not have systems in place to make digital changes as easily as others, many received support to make the initial investments. For example, *Social Services Charity One’s*

respondent stated that they have been working with a company that specifically works to upgrade charities' internal systems. The new upgraded system allowed the charity to integrate aspects such as services, marketing and fundraising into a single platform. The respondent added that as the previous system was less efficient, this has been a real benefit for the charity, and that such support "helped [them] weather the pandemic". Similarly, a respondent from *Social Services Charity Four* stated that their charity was supported by corporate partners in making the necessary digital changes. They explained that their partners would normally donate things such as food hampers, which is what the charity has traditionally appealed for. However, the respondent explained to their partners that what they really needed during the pandemic was cash to facilitate the changes being made. Their partners responded well to this, and the respondent stated that one of the biggest benefits that came from this was that their charity has improved how they tailor their appeals to retain corporate partners. This has resulted in the charity forming partnerships with large corporations to continue the level of support they have received throughout the pandemic. Aside from support from corporate partners, several respondents stated that their charities have received assistance from the Government for investing in digital strategies. *Social Services Charity Five's* respondent stated that although they do not usually receive any state funding, they have benefitted from a one-off fund during the pandemic. The respondent explained that in order to avail of this, they had to make it clear in their application what changes they have made during the pandemic. They stated that they had to focus on the long-term viability of their charity, which includes continuing to invest in their digital strategy as heavily as they have done throughout the pandemic. The charity received this fund, and the respondent described this as being a huge help in making the necessary changes.

A recurring theme from many interviews with respondents from charities who did not have the infrastructure in place prior to the pandemic to make the switch to digital as easily, is that through their resilience — along with the support they received — they are now seeing the benefits of switching to digital. *Animal Welfare Charity One's* respondent stated that "this is probably the most challenging 12 months [they] have ever experienced as a CEO", but that all of the changes that have been made have presented opportunities. Similarly, *Social Services Charity Five's* respondent explained that their charity's strategy is now "completely different to what [they] thought 15 months ago", and that this has come from "the pivots of moving to digital as a result of COVID". Overall, there have been many success stories that have come from all respondents, both from charities who had the systems in place already and simply needed to increase their use, or from charities that needed to completely reinvent themselves by creating new digital strategies. The following chapter discussed what these digital changes mean from a sector-wide perspective.

5 Discussion

The previous chapter focuses on the first and second research questions by outlining the changes made by respondent charities in overcoming challenges of the pandemic, and the changes which will be made permanent in their organisations. This chapter will focus on the final research question: ‘Has there been a change of mindset in charities regarding the investment of resources in areas such as technology and digital strategies?’ This will be done by providing analysis and discussion relating to interpretations of empirical material, including what they mean for the future of the Irish charity sector. This chapter indicates that due to the level of change made by charities, and how successful these changes have been, they are unlikely to revert to traditional methods to the extent that they had done so prior to the disruption of the pandemic. Instead, they are likely to continue the digital advancements made over this relatively short period, by investing as much (and even more) resources into digital strategies moving forward. By reflecting on the theoretical and practical implications of this thesis, this research can be used as a basis for further research on the subject of the modernisation of charities including digital developments within the sector.

5.1 Digitalisation & Digital Transformation of Respondent Charities

As described in the theoretical framework chapter of this thesis, ‘digitalisation’ involves automating existing business processes, joining those automated processes together, and using this system to support existing business processes and information flows, and to lower production costs and optimize business results (Savić, 2019). For the purposes of this research, digitalisation refers to charities that have implemented technological changes to improve their existing operations during the pandemic, but do not radically change the way in which they operate or create value. Conversely, as per the definition applied for this research, ‘digital transformation’ involves the use of digital technologies to change strategy, revenue streams, and operations to radically improve an organisation’s reach or performance in order to fully leverage the opportunities brought by digital technologies, and help the organisation operate in an increasingly digital world. With these definitions in mind, and from analysing the specific digital changes made by respondent charities in the previous chapter, this chapter will now highlight the overall level of change made across all respondent charities.

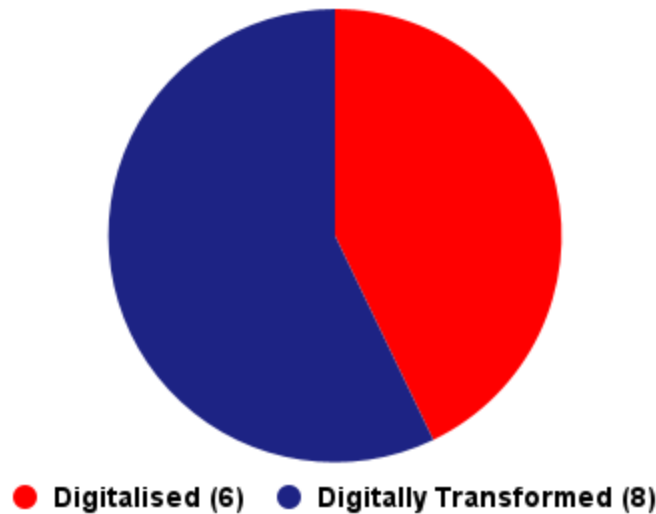


Fig. 7. Digitalised or Digitally Transformed Charities

Eight of the fourteen respondent charities have been identified as undertaking digital transformation as per the definition outlined above. Of these eight charities, some had planned to digitally transform in the near future, however, those plans were fast-tracked by the pandemic. Others had not planned such a transformation at all, but once the initial investments were made and the benefits of their new digital strategies were realised, it was decided to continue carrying out elements of the strategy even once the restrictions are lifted. Some of these charities have planned to continue the new way of fully operating digitally, while others have planned to do so as a hybrid with some traditional methods used prior to the pandemic. The new ways of operating digitally include digital fundraising, remote working, the online provision of services, and the digital involvement of volunteers. Whether fully or as a hybrid, these eight charities have planned to use digital technologies to change their strategies, revenue streams, and operations to radically improve their reach or performance, and to leverage the opportunities brought by digital technologies, and help them operate in an increasingly digital world. It can be argued that these charities have made what is described in the Theoretical Framework chapter as *second-order change*. By changing strategies, revenue streams and operations via digital means, they have made radical, discontinuous, and comprehensive changes to their charities on a large-scale. By reevaluating their systems, processes and structures in response to the unexpected description of the pandemic, they have also had to undertake what is referred to as *recreation*. As outlined in the Theoretical Framework, *recreation* is a result of charities reevaluating their entire organisation, and involves recreating or replacing the core elements where necessary to align the organisation with the environment. Finally, as many charities have used digital strategies to

radically improve their reach and performance when compared to the traditional methods used prior to the pandemic, it can be argued that they have also undertaken *discontinuous change*. As described in the Theoretical Framework chapter, this type of change is an all-encompassing, system-wide change, which has been used by charities to renew the fundamentals of their organisations, such as their overall strategies of providing their services. The fact that so many charities are using digital strategies to make fundamental changes to the way in which they provide value indicates that this use of digital will continue even after the restrictions of the pandemic are lifted. This thesis argues, therefore, that the pandemic has accelerated a level of change within the charity sector that will unlikely be reversed, now that the changes have benefitted charities in many ways.

The remaining six respondent charities were identified as having undergone digitalisation. The level of digitalisation among these six charities ranges from those who already had a digital strategy in place that they needed to increase the use of, to those who have been able to continue much of the traditional methods of working that they used prior to the pandemic, with limited elements of digital being adopted. An example of this is a charity which has a very small number of employees and was able to continue working from the office, and therefore avoided having to switch to remote working. This charity was also reliant on the in-person provision of services due to the nature of their work, and were therefore unable to switch to providing services online. However, due to the lack of people walking around in the city, this charity replaced their traditional, in-person fundraising method of bucket collections, with the digital alternative of accepting card payments, and have also begun using social media to raise awareness of their charity. Therefore, the charities that this thesis has identified as digitalising are those who have implemented certain technological changes to improve their existing operations during the pandemic, but do not radically change the way in which they operate or create value. It can be argued that these charities have made what is described in the Theoretical Framework chapter as *first-order change*. By using digital methods to make incremental modifications to structures and systems that have already been in place, they have been able to make smaller-scale changes without disrupting their overall systems. These charities have undertaken what is referred to as *adaptation*, whereby they have adopted technology to enhance what they had already been doing. Similar to charities who have digitally transformed — albeit to a lesser extent — this thesis argues that it is unlikely that charities who have undergone digitalisation will abandon the digital changes to their strategies that have benefitted them throughout the pandemic, even once the restrictions have been lifted. This supports the argument that the pandemic has accelerated a level of change within the charity sector that is unlikely going to be reversed, now that the digital changes have benefitted charities in many ways.

Having categorised the changes made by each respondent charity as either digitalisation or digital transformation, the next section will build upon the analysis of whether a pattern has emerged from the interviews regarding a potential change of mindset within the charity sector. This regards the investments made into digital strategies, now that the returns on the investment have been realised. Such analysis is done by using the change management theories that have been introduced above.

5.2 Indications of a Changing Mindset within the Sector

As the majority of respondent charities have undertaken digital transformations over the last year, this section will analyse whether a pattern is emerging regarding a potential change of mindset within the sector regarding investments made into digital strategies, now that the benefits have been realised. The final interview question that was asked to each respondent was whether their charity will continue to invest in the digital developments that have been made to their strategies over the pandemic going forward, either fully or as a hybrid. The answers that were given to this question covered the main lessons learnt from the pandemic in terms of the use of digital strategies, and any benefits that have come from new digital ways of fundraising, providing services, involving volunteers, and remote working. Below, the following section outlines several insights and opinions from interview respondents that show that their charities will continue to invest as heavily in their digital strategy as they have had to do throughout the pandemic to overcome challenges. These insights from the empirical results will be examined alongside change management theories in order to analyse the fundamental changes that have happened in the sector during the pandemic. When analysed collectively, it is argued that these insights do indicate a changing mindset in the charity sector in Ireland.

5.2.1 “Digital has only added to the set-up”

A respondent from *Animal Welfare Charity One* — which has digitalised — explained that although their business model has not fundamentally changed and that the charity is still doing the same job, it is now doing it better. For example, there is better communication between staff channels now that more of the workforce is working remotely. The respondent explained that although their charity was already using digital methods, since the pandemic they have appointed a Head of Digital Marketing for the first time, whose responsibility is to focus on all digital operations. They went on to say that they “learned new tricks”, and will continue to use aspects

of their digital strategy that have been developed during the pandemic, such as fundraising and providing services, adding that “those areas have added to the set-up here, and not taken away from it”. This is an example of *adaptation*, where the charity has reacted to its external environment by enhancing what they had already been doing. It is also an example of *incremental change*, which involves evolutionary changes that do not disrupt the overall system of the charity. This clearly indicates that even the charities who already had a form of digital strategy in place prior to the pandemic have benefited from increasing its use to such an extent that resources are now being allocated to recruit new talent to specialise in their digital strategy. Investments in digital strategies, such as recruiting new employees with digital expertise, indicate that charities are intending to incorporate the digital changes made throughout the pandemic on a more long-term basis.

5.2.2 “Return on investment on digital is much higher”

Similarly, a respondent from *Social Services Charity Three* — which has also digitalised — stated that the digital developments that have been made were a success. They stated that they “won’t reduce what we are doing digitally now, if anything we will increase it”. The respondent expects their charity to adopt the digital changes made throughout the pandemic in a hybrid approach, adding that “there will be a bit of traditional coming back when it’s allowed, but there will certainly be more digital too, as the return on investment on digital is much higher”. Similar to the previous charity, this charity has only needed to make *first-order change*, where incremental modifications have been made to existing structures without the need for complete digital transformation. Clearly, some charities have seen a greater level of success as a result of investing time and money into digitally developing their operations than they would have from relying on traditional methods. By increasing investment in areas such as digital fundraising and service provision, charities have benefited from reaching a wider audience of donors, creating greater access for their beneficiaries, and in many cases, lowering costs in doing so.

5.2.3 “Things are happening that I would not have imagined before”

A respondent from *Social Services Charity Five* — which has digitally transformed since the beginning of the pandemic — stated that the strategy they are using now is completely different to what it was 15 months ago thanks to digital methods, explaining that they are “now looking at strategy in a different way, with a new set of eyes”. They continued by stating that “it’s now the focus to strategise about where we want to go, and then build the present around that. Now we use new models that can get us there faster. These models have come from the pivots we made regarding the digital change that has been a result of the COVID-19 pandemic”. This respondent explained that the changes that have been made since the beginning of the pandemic have

brought focus on the new ways of generating revenue streams digitally and in general. They added that “things are happening that I would not have imagined before”, and that the successes that have come from digital awareness and “thinking outside the box” has helped the charity put structure to their strategy. This charity has undertaken *second-order change*, which have included radical and comprehensive changes to the overall organisation systems. Such fundamental changes made to the core of the charity can also be described as *recreation*, where the entire organisation and its value have been reevaluated since the adoption of a digital strategy. Many of the digital advancements made by charities since the beginning of the pandemic have shifted focus away from what has worked well in the past, to creating completely new ways of doing things and running their organisations. It can be argued that for some charities, the pandemic has forced a level of change that has led them to adopt completely new business models. This inspiration and inventive thinking can benefit charities going forward, and perhaps encourage a greater level of risk-taking than would have been done previously, in terms of resource investments.

5.2.4 “Taking two steps backward will take us three steps forward”

The same respondent from the aforementioned charity which has digitally transformed, also commented on the value of investing in recruiting talent that can focus on digital strategies and help grow the charity. They stated that as a charity, they have realised that recruitment efforts need to be increased if they are to grow, and that since the changes that were forced by the pandemic, they are now looking at the expenses involved “with a different set of eyes, as something we need to do without just worrying about the costs and the overhead”. It can be argued that this increase in recruitment efforts as a result of the digital changes reflects what Brightman and Moore (2000) refer to as updating and developing new roles and responsibilities that reflect new performance demands to ensure the organisation and its employees have the required skills to adapt to the changes. The authors suggest that skill gaps are likely to be created among staff by organisational or environmental change, and that these can be overcome by providing a vision to staff and creating a structure for the organisation to close the gaps and prevent a sense of organisational helplessness (Brightman & Moran, 2000). Despite previously relying on traditional, non-digital methods of fundraising and providing services, this particular charity’s senior management team appears to be moving rapidly to recruit new talent in order to adapt to the digital changes that have been made to their charity. This respondent also stated that it is important for all charities to understand that “taking two steps backwards will take us three steps forward”, with regard to making the initial investments needed to grow their charities and to help solve the societal issues they are tackling. This echoes much of the sentiment that has been outlined above; the amount of investment made in new areas such as digital fundraising,

online service provision and remote working would not have been made prior to the pandemic as traditional methods were already well-established and there was no pressing need for such investments. Although many charities have made these digital advancements due to a lack of alternative options, it appears that they now intend to continue investing in their digital strategies with the aim of continuing to serve more beneficiaries, raise more funds, engage more volunteers, increase staff communication, and grow as organisations.

5.2.5 “We had not even considered this before”

A respondent from a *Health Services Charity Five* — which has also digitally transformed — stated that the digital changes made to their charity since the pandemic have had a positive impact and will continue to be implemented in a hybrid model going forward in terms of the provision of their services. They added that they will continue to deliver services remotely via *Zoom*, as it has a greater reach to the people who require their services. They explained that now “any [beneficiary] can access our services from anywhere, and we had not even considered this before”. This online provision of services is useful for this charity as it shows that it is not always necessary for their beneficiaries to come to the charity’s physical location. This comes with the caveat that the beneficiaries may miss out on much of the atmosphere created in the physical location. However, the respondent explained that “although we might not genuinely be replicating the environment online, that’s okay. The service can still be delivered this way, and we have more reach now to people who don’t have to travel all the way to the office from around the country”. Consequently, it is clear that many charities are still aware of the disadvantages that are involved with providing services online. However, this still offers another method to reach beneficiaries who either cannot — or would prefer not to — travel to the charity’s physical location. By implementing a hybrid service in this respect, the overall accessibility of charities’ services can be increased. It may no longer be a prerequisite for benefitting from a charity’s service that beneficiaries must travel to charities’ premises, or charity professionals must travel to beneficiaries’ homes, now that these advantages of online services have been realised. This is a clear example of a charity that has made changes that encompasses the overall organisational systems and entails the fundamental transformation of the core of the organisation, and have therefore made a *second-order change* (Newman, 2000). The fact that the way in which this charity has changed the way it provides value to its beneficiaries is also an indication of a *discontinuous change*. This is because the changes made are radical, all-encompassing and designed to renew the fundamentals of the organisation, such as the core values and the strategy of the organization (Akingbola, Rogers & Baluch, 2019, p.10). Therefore, it can be argued that the changes made by charities that have digitally transformed have fundamentally changed the way in which they provide value to society.

5.2.6 “We would have never done that if it wasn’t for COVID”

A further respondent, from *Animal Welfare Charity Three* — which is identified as having gone through digitalisation — also pointed towards a change of mindset in terms of the benefits from investing in digital strategies. Although this charity had already implemented the facilities needed for digital fundraising prior to the pandemic, the respondent stated that the actual switch to using digital fundraising came during the pandemic and has benefitted the charity: “The biggest benefit of moving to digital fundraising is that it pushed us to come up with different ways to fundraise not in-person, and this can work really easily when you can facilitate it online. The pandemic forced us to do things in a different way, and without a doubt, we will carry on some of those things”. This respondent added that their digital fundraising activities have had a far greater reach than the traditional methods of in-person campaigns used previously: “Reach is worldwide at this stage, so doing it online is great. We’ve been able to run campaigns reaching different countries that we would never have done if it wasn’t for COVID, instead we would have been using the more traditional methods”. This charity had the digital systems in place prior to the pandemic, but it was the pandemic that pushed them to form a digital strategy to rely on those systems to a greater extent. This is an example of *first-order change*. By using their new digital strategy, this charity has benefitted greatly, especially in terms of fundraising. As outlined in the introduction of this thesis, the disruption caused by the pandemic has permitted charities to take unconventional and uncharted paths to strengthen donor relationships, and serve a higher purpose (Althoff, 2021). Charities can now build on this momentum and maintain the boldness inspired by the pandemic’s disruption to continue to innovate in new and creative ways (Althoff, 2021). Such innovation can include new fundraising initiatives, new ways of involving volunteers, and new ways of providing services to beneficiaries. By doing so, they can potentially overcome the traditional “prohibition on failure” which has potentially restricted innovation among charities, and made it difficult to raise more revenue to grow as organisations to the extent needed to solve the large social problems that they are tackling (Pallotta, 2013).

5.2.7 “The technology and impact of COVID-19 has brought us further along”

A respondent from *Health Services Charity Four* — which has been identified as having undergone a digital transformation — indicated that their charity will continue to invest as heavily in their digital strategy as they have had to do over the course of the pandemic. This respondent stated that they are now beginning to think of things in a “digital-first” way, and the charity has become less dependent on people being in a physical location, in terms of employees, volunteers, and beneficiaries. The respondent went on to say that although the charity was not necessarily reluctant in terms of embracing new technologies, the impact of the pandemic and

the speed at which they have had to adopt digital strategies has brought them further along. They can now see that by using the technology, they are able to provide more effective and direct access to services to their beneficiaries. The respondent added that the digital strategy will be incorporated in a hybrid way going forward, because the investments made in technology and digital developments have been beneficial to the charity: “[throughout the pandemic] we have spent more money on licenses for *Zoom* and *DocuSign*, for example, and those pieces of technology have really helped us”. This is a further example of a charity that has made *second-order change*. This charity has also undertaken *recreation*, as it has started using a digital strategy to reevaluate the entire organisation, from employees, volunteers, beneficiaries, and supporters. As with many other charities, they are intending to continue operating in this new way. This suggests that they have also made *discontinuous changes*, which are radical and system-wide changes that are designed to renew the fundamentals of the organisation.

5.3 Fundamental Changes Have Been Made Within the Sector

It is encouraging to see that respondent charities have not expressed that the investments made into their digital strategies have been a waste of resources, or that they are looking forward to going back to the more traditional ways of doing things. On the contrary, most respondent charities not only intend to continue using the technologies and strategies they have invested in already, but to also invest in even more areas where they have seen greater benefits and returns on their investments. A common theme in many of the interviews with respondents was that they are glad that they had been forced by the pandemic to make investments into their digital strategies because of the significant benefits that these have brought. Change management is often about the alignment or realignment of a strategy with the environment of the organisation through a systematic process that managers implement to improve the effectiveness of the organisation in the face of disruption, opportunity, or threat (Marler, 2012). The theories that have been used to analyse the changes made by charities were not necessarily developed to be applied to organisations within the nonprofit sector. However, they were applicable and have highlighted many similarities between respondent charities. As outlined in this chapter, the organisational changes that have been made by charities range from *first-order change* to *second-order change*, from *incremental change* to *discontinuous change*, and from *adaptive change* to *recreative change*. Despite the various levels of changes they have made, all charities in this study have made digital changes that involve some form of planned alteration of organisational components to improve the effectiveness of the organisation (Cawsey & Deszca, 2007). Although restrictions have not yet been lifted, and charities may still change their views on the value of digital strategies and revert to fully traditional methods, this thesis argues that a

pattern is emerging whereby charities intend to continue investing as heavily, if not more heavily, in the digital developments which have helped them overcome many challenges of the pandemic. This indicates that a changing mindset is beginning to emerge within the Irish charity sector.

5.4 A Hybrid Future of Traditional and Digital Strategies

Change management theories were applicable to all charities studied in this thesis, and although the majority of respondents conveyed a general sense of enthusiasm for the new ways of working digitally, there are of course elements of digital that cannot be incorporated into the existing structures of some charities as simply as others. One reason for this involves the type of services that the charity provides, which may be impossible to do online, and also means that many of the charity's employees cannot work remotely. This is why some respondent charities have not been able to completely digitally transform their organisations. Additionally, certain charities have not been able to incorporate their digital strategies as widely as others due to the fact that they may rely more heavily on volunteers to keep operations running, and many of these volunteers are of an older demographic and are not as comfortable with the new digital ways of working that have been adopted by many other charities.

However, there are instances where a charity would have been capable of undergoing digital transformation — by switching to remote working, digital fundraising, online services provision and online volunteer involvement — but their senior management team believed that this would not align with the culture or the values of the organisation. For example, when speaking about the digital way in which their charity has been working throughout the pandemic, one respondent stated that certain digital ways of working are useful when there are no other alternatives due to the restrictions of the pandemic, however, they intend to return to many traditional methods of working once the restrictions are lifted: “Technically everything is fine, but people are really missing the connection now. We've had a core group of volunteers for years, and they miss this family aspect. It's completely gone, and this lack of connection is really difficult, and it's starting to wear thin now over a year on”. This issue was echoed in several interviews with respondents, to various extents. While digital developments have improved areas such as fundraising and service provision, the recurring issue has been trying to recreate the volunteer experience online. For many volunteers, especially those from an elderly demographic, being physically present at a charity is an important part of social interaction and companionship in their lives. Although the voluntary work they do can be moved online in certain cases, and the value they create for the charity can be replicated, the benefits that they get from their volunteering can often be diminished from doing it from behind a screen or over a telephone. This particular respondent

explained that in order to overcome the sense of disconnection felt by volunteers from not being present at the charity's premises, they have increased their communication efforts online in an effort to make volunteers feel more connected to the charity while the restrictions of the pandemic continue to be imposed. "We've used digital platforms to keep the communication going and now everyone is on the same platform, so it is more interactive. This has mitigated the lack of physical contact but it's not the same, people like to meet up".

Therefore, relying on the digital changes that have been made during the pandemic has not come without difficulties. An example of another aspect that people may be looking forward to resuming via non-digital methods is senior management meetings. Although the majority of respondents appreciated the flexibility that meeting on *Zoom* and *Microsoft Teams* brings in terms of not having to travel, a respondent from *Animal Welfare Charity Three* highlighted an issue that could potentially be more of a problem with such mediums going forward. The respondent explained that meetings that require creative thinking and imagination, such as mind-mapping meetings between senior management, can be impaired by doing so digitally. "For the leadership team, we meet all the time digitally, but it's very, very difficult to have strategy meetings and business plans online. We need to have the flipcharts and be in person. You cannot have a proper brainstorming session".

The digital changes that have been made by charities during the pandemic involved the realignment of their strategies with their environment, through a systematic process that managers implement to improve the effectiveness of the charities in the face of the disruption of the Government's restrictions. Although many charities have seen significant benefits that have come from investments made in developing digital strategies, it is likely that not all of the digital aspects that have been adopted during the pandemic are here to stay. Many charities are looking forward to returning to more traditional ways of working once the pandemic is over, and incorporating digital and non-digital aspects into a hybrid strategy. This thesis argues that such hybrid strategies should continue the use of traditional methods that work best in-person for each specific charity, such as volunteer activities and leadership meetings, while at the same time applying any lessons learned from the digital strategies used throughout the pandemic in order to be even more efficient in terms of cost, reach, accessibility, and growth.

6 Conclusion

Despite the essential role that charities play in society, and the benefits of investing in digital strategies, many charities had been investing very little in them prior to the pandemic. This may have been a result of the expectations that donors have of how the money they give to support charities will be invested, the expectations that beneficiaries have of how services will be provided, and expectations of other external stakeholders who exercise significant influence on charities' operations (Moore, 2000 cited in Akingbola, 2006). The lack of investment in digital strategies may also have been a consequence of the "prohibition on failure" that many charities face which restricts innovation and makes it difficult to take risks to grow as organisations (Pallotta, 2008, p.127). This has meant that many charities were missing out on some of the opportunities of digital, and this problem has been highlighted by challenges they have faced during the COVID-19 pandemic. When the pandemic broke out, the Irish Government imposed restrictions which resulted in charities' in-person fundraising campaigns being cancelled, in-person services being halted, volunteers no longer physically attending charities' premises, and many charities' employees having to work remotely. All of this meant that charities were required to rely on digital strategies in aspects such as fundraising, service provision, volunteer involvement and remote working. Despite many charities not having digital strategies in place prior to the pandemic and being unprepared for such a change, they have since been developing digital strategies at great speed. This thesis has shed light on the methods used by Irish charities in developing digital strategies to overcome challenges they have faced throughout the pandemic, and whether this increased use of digital strategies will continue on a more permanent basis once restrictions are lifted.

In answering the first research question: How has developing digital strategies enabled charities to overcome challenges of the pandemic?', this thesis has highlighted that many challenges imposed by the Government restrictions have been overcome by adapting organisational aspects — such as fundraising, service provision, work arrangements, and volunteer activities — to be carried out digitally. Such digital adaptations range from building a digital strategy from scratch and implementing digital methods that have never been used before, to simply increasing the use of digital methods that had previously been used, such as digital fundraising or staff working remotely. Many charities have invested in online communication programs which have allowed them to continue meeting with beneficiaries and providing their services despite the restrictions. They can now do so on a wider scale, meeting with people from all over the country who would not have been able to use their services previously. The reduction in volunteer activity has also been mitigated to an extent, by keeping volunteers engaged through the use of digital platforms.

However, not all challenges of the pandemic have been fully overcome through the use of digital strategies. Some services simply cannot be carried out online, an example being where front-line staff are required to be physically present in order to serve their beneficiaries. Even for certain charities who *can* theoretically carry out all their services online, some beneficiaries do not have access to digital technologies due to financial reasons, or are less comfortable in using them. In such cases, it may not be as suitable for the charity to move their services primarily online, but they could still benefit from moving their fundraising effort online. Therefore, as certain aspects of some charities' work are best carried out by using non-digital methods, there have been advantages and disadvantages of relying on digital strategies.

This leads to the second research question: 'Which digital changes will be incorporated into charities' strategies going forward on a permanent basis, and how will these changes be managed?'. Many respondents have stated that some services have been working better online, and have been more efficient in terms of reach, accessibility, speed, and in many cases, cost-effectiveness. The first aspect which the majority of respondents will incorporate into their strategies going forward is digital fundraising. By running online campaigns that would traditionally be done in-person, charities have been able to reach a wider audience, build brand awareness, and as a result, raise more funds. The second aspect of their digital strategies that many respondents plan to continue is the remote working of staff. Several respondents expressed that by incorporating remote working, there have been more people applying for positions at their company, and they can focus more on the talent and skills of these applicants without worrying about their location. Additionally, having a remote working policy encourages consistent communication between all members of their charities, and respondents have noted that people from different departments are having meetings with one another more regularly now that they are not in the office. The third key digital aspect that will be incorporated into charities' long-term strategies is the use of their websites. Online shops have helped charities overcome the closure of their physical stores and will continue to offer huge amounts of opportunities for many charities going forward. In order to implement and maintain these digital aspects of their charities' strategies, senior management need to manage the changes in ways that do not impede the work being done by staff and volunteers, or negatively impact the ways in which services are delivered to beneficiaries. Such change management includes the training of staff and volunteers to use digital platforms, the recruitment of staff to focus on new digital strategies, the reorganisation of roles to reflect the digital changes made, and the management of culture changes involved in remote working, including providing mental health support where needed. These aspects of change management are non-exhaustive, and the level of management will vary

depending on each organisation. However, it is important for management teams to meet frequently to ensure the changes are being implemented and maintained successfully.

To answer the third research question — ‘Has there been a change of mindset in charities regarding the investment of resources in areas such as technology and digital strategies?’ — theories involving change management, digitalisation, and digital transformation were used to analyse the insights gained from respondents’ interviews. The majority of respondents expressed that despite not investing much in digital strategies prior to the pandemic due to prioritising other areas such as service provision, their charities will continue to invest in the digital developments that have been made to their strategies during the pandemic, either fully or as a hybrid. One reason for this is that such digital strategies have led to greater fundraising returns for many charities, and also greater reach and accessibility of their services to beneficiaries. Clearly many charities have had no choice but to invest in new digital fundraising ideas, new methods of providing services online, new ways of engaging volunteers, and new technology needed for staff to work remotely. Despite the fact that many of the changes came out of necessity due to a lack of alternatives as a result of the pandemic’s restrictions, the majority of respondents plan to continue these new, digital ways of operating now that they have proved to be beneficial to their charities. Therefore, it may be argued that the “prohibition on failure” (Pallotta, 2008, p.127) that may have restricted innovation and made it difficult for charities to grow in the past, may now have been overcome to an extent. In 2017, *Charities Institute Ireland’s* report advocated that there needed to be an understanding that charities should have “an ability to innovate and create new solutions to social problems which can be scaled up...rather than cut-price provision of services” (Charities Institute Ireland, p. 23, 2017). A pattern began to appear from the interviews conducted as part of this research, which indicates that a new mindset is emerging among many charities regarding the value of investing in digital strategies now that the returns on such initial investments have been realised. Many respondents spoke about lessons they and their organisations have learned from this pandemic, and that real benefits have come from investing in digital strategies. This willingness to invest in novel methods of fundraising, service delivery, remote working, and volunteer engagement would likely not have happened at such speed had it not been for the challenges of the pandemic. However, charities can now use these new strategies to reach more people in need, raise more revenue, and grow to the extent needed to solve the large social problems that they are tackling. This thesis argues that charities should now maintain the positive changes they have made throughout the pandemic. While the reliance on digital strategies is unlikely to continue to the extent it has throughout the pandemic, this thesis argues that charities should not fully revert to the non-digital strategies which they traditionally have relied upon in the past.

6.1 Practical Implications

This research shows that there appears to be a greater willingness among charities to invest in digital strategies and technologies than prior to the pandemic, and that they intend to continue these investments even beyond the pandemic when restrictions have been lifted. Charities are now beginning to take a greater level of risk than previously, by investing in new and creative ways of providing value to society as well as raising the necessary funds to do so. This study has shed light on aspects of digital strategies that have been successful for charities, and what has been less successful. It also highlights how the digital changes made by charities during the pandemic have been managed. This thesis suggests that senior management within Irish charities should continue investing in aspects of digital fundraising, online service provision, remote working, and, to a lesser extent, online volunteer engagement. This is so charities in Ireland maintain the momentum and the positive changes that they have made throughout the pandemic, by analysing any lessons learned about new ways of working, and continuing to innovate in new and creative ways going forward. This thesis argues that by adopting digital methods that have been successful, charities can grow their organisations at a quicker rate than by using non-digital methods that have traditionally been relied upon in the past.

6.2 Suggestions for Further Research

The results of this research indicate that there does appear to be a changing mindset emerging within the charity sector regarding investments made towards new and innovative digital strategies. However, as this thesis was written at a time where Government restrictions are still in place, it is suggested that a follow-up study should be undertaken in the next year or two. This is to research whether the charities' commitment to investing in digital strategies continues, and whether such investments are continued over a longer period of time and where non-digital alternatives are more available. As outlined in the Methodology chapter, the charities studied in this research vary greatly in terms of size and types of services. This was beneficial in comparing and contrasting the different types of charities and how they have adapted digitally. Therefore, any further research would also likely benefit from studying a diverse sample of charities in terms of size and service. However, it is suggested that studying an even larger sample over a longer period of time than was possible for this research. This is to gain a more comprehensive understanding and insight into the challenges faced by all organisations within the sector, while considering the differing factors of each charity.

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Appendix

Appendix 1: Interview guide

- Begin with thanking the interviewee for participating in the research.
- Present who we are and the different roles we will have during the interview.
- Repeat the purpose of the research.

Ethics:

Explain that in order to ensure confidentiality, interview respondents are being kept anonymous, as are their charities and any identifiable factors connected to their charities' brand or activities.

Introduction:

1. We will go into detail throughout this interview, but on a general level, would you say that your charity has seen much of a change in its digital strategy since the beginning of the pandemic?

Digital Strategies and Change Management:

2. To what extent has your charity switched to providing **services** online?
 - What's been **working well** in online services?
 - Have there been any **challenges**, and how have they been overcome?
3. How has your charity adapted to receiving **donations** digitally?
 - What have been the **benefits** of receiving donations digitally?
 - Were there any **challenges** in making the switch, and how have they been overcome?
4. To what extent has your charity had to cancel or postpone in-person **fundraising campaigns**?
 - Have these campaigns been relaunched digitally, and if so, have there been any **benefits** to this?
 - Were there any **challenges** in making the switch to digital campaigns, and how have they been overcome?

5. How much of your charity's workforce have switched to **remote working**?
 - What has been the general reaction to these changes by employees in your charity, and have there been any **benefits** to working remotely?
 - Were there any **challenges** in making the switch to remote working, and how have they been overcome?

6. Has your charity been able to involve **volunteers** in activities through the use of digital?
 - What have the **benefits** and **challenges** of this change been?

7. Has your received any support **from corporate partners** in areas such as funding or moving the charity's operations online, IT support and donations, training of staff, etc?

8. Has your charity received any funding or other financial assistance **from the Government** during the pandemic?
 - If so, how much of this funding has been put towards your digital strategy?

9. In your opinion, have the changes that have been made to your charity since the pandemic have transformed the essence of its business model?
 - Has technology radically changed aspects like **strategy, revenue streams, operations, performance**?

10. How have you and other members of senior management been **managing the changes** that have been made to your charity?
 - Training and upskilling of staff? Recruiting new staff? Implementing new technologies? Adapting existing strategies)

11. Are you planning to **continue** to use your charity's digital strategy even after the pandemic, either fully or as a hybrid? (fundraising, services, volunteers, remote work?)
 - In your opinion, have there been any **benefits or lessons** that have come out of the pandemic for your charity?

Appendix 2: Charities' Change Management methods used

Charity	Recruited New Employees	Trained Existing Employees	Adapted Existing Strategies	Implemented New Strategies
Social Services Charity One		✓	✓	✓
Social Services Charity Two		✓	✓	✓
Social Services Charity Three	✓	✓	✓	✓
Social Services Charity Four	✓		✓	
Social Services Charity Five	✓	✓	✓	✓
Animal Welfare Charity One		✓	✓	✓
Animal Welfare Charity Two		✓	✓	✓
Animal Welfare Charity Three			✓	✓
Health Services Charity One	✓	✓	✓	✓
Health Services Charity Two			✓	✓
Health Services Charity Three			✓	✓
Health Services Charity Four			✓	
Health Services Charity Five	✓	✓	✓	✓
Research Charity			✓	✓