
WORKING FOR THE MISSION: GETTING NONPROFITS TO BE THE EMPLOYERS OF CHOICE

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NONPROFIT EMPLOYEES MATTER

Truly skilled nonprofit staff, like Olympic athletes, can make their work look easy. Calm in the face of crises, keeping in check inclinations to jump in and “fix” everything, and defying commonly held prejudices, they willingly engage and work with people of all backgrounds. In a mission-driven social service nonprofit, the staff are the heart of the organization for the people the organization sets out to serve.

It is not difficult to imagine, then, the toll on service users when trusted staff leave an organization. In nonprofits that provide support to others, whether seniors, people with disabilities, newcomers and refugees, children and youth, or women fleeing violence, losing caring relationships can mean losing hard-won ground in oftentimes daunting struggles, both personal and systemic. In these contexts, finding and keeping the best talent takes on a whole new dimension, and high staff turnover can incur incalculable costs.

Similarly, turnover related to all positions, including core administrative staff, management, and support staff, can also mean significant financial costs to agencies. Nonprofits suffer doubly at the hand of high rates of staff turnover: it affects their ability to deliver on their missions and draws down on limited resources. Some estimates are that the financial loss to an organization of one person leaving is equivalent to that person’s annual salary (Carroll, 2007).

This article focuses on human services organizations that rely heavily on grants and contributions from governments.

THE NUMBERS GAME

Analyses projecting Canada’s labour force rates continue to predict decreased overall participation rates as a result of Baby Boomer retirements and lower fertility rates (Statistics Canada, 2007). The overall participation rate in Canada has decreased from 50.15% to 49.61% between 2006 and 2010 (Statistics Canada, 2011). Combined with increased urbanization and an ageing demographic, the labour force is smaller, more urban, and greyer.

Traditional market analyses venture that in occupations where the demand exceeds the supply, adjustments to both real and relative wage levels are required to bridge employment gaps. “For example, strong demand by employers in occupations usually requiring university education, coupled with difficulties in finding qualified labour supply to meet this demand, will generally lead to real wage increases and a declining unemployment

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rate for those occupations” (Human Resources and Skills Development Canada, 2007, para. 26). In other words, an employer looking to hire skilled staff will need to adjust pay scales and benefits, and work will be easier to find for skilled staff.

For nonprofits that are reliant upon the public purse in a time of reduced government expenditures and that have limited access to core and stable funding, the capacity to offer competitive salaries and benefit packages is limited. For example, in a national labour force study, the HR Council for the Nonprofit Sector found that three quarters of nonprofits across Canada have fewer than ten employees and that just over 30% of these small nonprofits offer pension plans or pension contributions (HR Council for the Nonprofit Sector, n.d.a). Employees of nonprofits in all size categories rated compensation-related items as areas in which they were the least satisfied (HR Council for the Nonprofit Sector, 2008).

Taken together, the evidence points to a consistent conclusion: the overall labour force is shrinking, and if nonprofits are unable to adjust real and relative wages, the sector will face increasing challenges to find and keep employees.

THE PUBLIC EYE ON THE MONEY GUY

Part of the challenge for nonprofits to offer competitive salary and benefit packages may be linked to the public appetite to support wages in mission-driven agencies. Recent media coverage of salary levels in a number of Canadian charities has resulted in an outcry by some members of the public. In July 2011, the CBC reported that of the million charity workers in Canada, the Canada Revenue Agency noted that some 6,000 earned more than \$120,000 a year. The CBC’s online message board, with almost 400 comments in early August, was replete with messages voicing skepticism about how fundraised and government dollars are allocated. Although large multi-million dollar operations such as hospitals were considered in the analysis, public comments pointed fingers at food banks, advocacy agencies, research foundations, and, overwhelmingly, charities as a whole (Canadian Broadcasting Corporation, 2011).

The Nonprofit Quarterly reports that “[s]uch media attention can have a profound impact on public perception, which can negatively affect the attitudes of current and potential donors” (Kupfer, 2011, para. 3). What’s more, the attention and ensuing public disapproval might actually reveal expectations about how public and donor funds should be spent. Despite the fact that the large majority of nonprofit workers earn only a small fraction of those salaries listed – and that they, like workers in any sector, frequently require skill sets, educations, and backgrounds that are increasingly specialized – expectations prevail that nonprofit workers should earn less than their counterparts in the for-profit or public sector.

The Nonprofit Quarterly also cites a public opinion poll done by the Charities Review Council of Minnesota that found that fewer than half (42%) of respondents felt that “employees of charities should receive wages comparable to for-profit employees” and, in fact, that a significant minority (34%) felt that “employees of charities should be paid less than their for-profit counterparts but enough to earn a living” (Pratt, 2011, para. 1). Although the general idea of a liveable income for nonprofit workers is laudable – in terms of a labour market strategy and the nonprofit sector’s ability to both attract and

retain talent – continuing to rely on nonprofit workers’ commitment to mission may not prove to be the most effective way to keep our organizations humming.

LIGHTS IN THE TUNNEL

The good news is that there are thoughtful and wise colleagues across Canada working on labour market issues in the nonprofit sector.

Though salary and benefit levels may well remain the sector’s albatross moving forward, there are still many innovative strategies to address workforce issues among Canada’s nonprofits. They include collecting accurate and up-to-date labour market information (LMI), workforce development, organizing to represent our collective interests, and promoting nonprofits as a place to work.

Here are just a few of the many lights at the end of the tunnel.

Labour market information

In 2009, the Manitoba Bureau of Statistics surveyed Manitoba’s voluntary and nonprofit organizations in the health and social services sub-sectors. The research, conducted for the Federation of Nonprofit Organizations and the Government of Manitoba, was used to undertake labour force development planning for Manitoba’s nonprofit sector (Manitoba Federation of Nonprofit Organizations Inc., 2010).

Using the LMI collected in 2009, the Federation published a series of fact sheets in 2010 to help inform labour force development going forward. Among these developments has been the creation of the Non-Profit HR Hub Pilot which will bring together executive directors to create a shared-service strategy for human resources development (Manitoba Federation of Nonprofit Organizations Inc., 2011).

Workforce development strategies

Other provinces have been working to develop the nonprofit sector workforce through the inclusion of a broad array of partners. For example, in Alberta, the Edmonton and Calgary Chambers of Voluntary Organizations have been supporting the convening of an Alberta Nonprofit & Voluntary Sector Workforce Council – a direct outcropping from research conducted with their provincial government. The Council has been working to implement a provincial workforce strategy, including providing a forum in which sector organizations can share best practices in human resources (Alberta Nonprofit & Voluntary Sector Workforce Council, 2009).

Sector representation

The HR Council for the Nonprofit Sector reports that nonprofits make up 7.2% of Canada’s total paid workforce and that the collective salaries of employees in the nonprofit sector add up to an annual payroll of \$22 billion (HR Council for the Nonprofit Sector, n.d.b).

Among the consistent messages heard nationally is that the nonprofit sector has not strategically and effectively organized amongst itself to represent its collective interests. Organizations frequently come together around shared missions (e.g., poverty, service delivery, etc.), but we have not been sufficiently proactive in convening around sector-level concerns. As such, we do not leverage the full magnitude of Canada’s nonprofits.

Work is being done at the provincial level to address these shortcomings. The recently created Ontario Nonprofit Network (ONN) has among its goals to respond to government at all levels about policy legislation and practices that affect how the sector operates. It also addresses how to develop a sense of shared interests and common purpose within the sector in order to strengthen the role of nonprofits in Ontario (Ontario Nonprofit Network, n.d.).

Promotion and education

The ever-ingenious folks at the Newfoundland and Labrador Housing and Homelessness Network (NLHHN) have recently released a communications toolkit to promote the housing and homelessness sector as a place to work. Faced with an increase in competition for a diminishing supply of workers, the network developed the toolkit, which includes a multimedia package targeted for high school and post-secondary levels. “Given the growing complexity of the work we do, we need to raise awareness of the sector as one which provides excellent career opportunities, where individuals can make a real difference in their communities,” said Sheldon Pollett, co-chairman of NLHHN (The Telegram, 2011, para. 3).

The potential to emulate the NLHHN’s work in other provinces and other sub-sectors could help build public support not only for agency missions but also those who staff them.

WHITHER OUR WORKERS?

Learning from our colleagues across Canada and their hard-won lessons, both national and regional strategies to develop our labour force begin to take form. Building public understanding and support, figuring out ways to finance our staffing needs, and investing in human resources strategies may in fact help stem the tide of worker turnover and hiring gaps.

Leadership is needed at all levels and in all sectors, most especially our own, to help ensure that tomorrow’s workforce is equipped and prepared to meet tomorrow’s challenges.

But I say, let the games begin. We, too, can make it look easy.

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The Philanthropist
2011 / VOLUME 24 • 2

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