

EMPLOYEE ENGAGEMENT AND RETENTION IN CANADA'S NONPROFIT SECTOR

A discussion paper based on employee survey data collected as part of the Nonprofit Employer of Choice™ (NEOC) Awards 2015



**Canadian Nonprofit
Employer of Choice™ Award**

A Hilborn:ECS service



INTRODUCTION

In 1999, the report *Building on Strength: Improving Governance and Accountability in Canada's Voluntary Sector* challenged Canada's charitable sector to recast **accountability** and **governance** as the foundation for growth and as tools for effective management and stewardship, rather than as problems that must be addressed because of external complaints.

The Report defined governance as the "processes and structures that an organization uses to direct and manage its general operations and program activities." Accountability, particularly in terms of a board mandate, must include sustainability of the organization. Both of these factors are negatively impacted by a lack of strategic human resources practices. For this reason, the attraction, engagement, development and retention of talent has been identified as one of the key success factors for Canada's charitable sector.

In 2006 it was predicted that the nonprofit sector would experience a deficit of leaders. A decade later the Social Stanford Review reports that little progress has been made. A related concern for the sector has been the lack of a new talent mindset and gaps in the skill profile of the labour force.

The NEOC Award process provides a framework to evaluate an organization's talent management issues and start constructing a *corrective plan of action*. This program further enables the board and senior staff to *probe and analyze the issues* and start the transformational change needed to achieve the impact the donor rightly expects. The bottom line is always about mission impact.

THE AWARD

The **Nonprofit Employer of Choice™ Awards (NEOC)** recognizes Canadian organizations that have committed themselves to better business management practices ensuring successful mission achievement.

The NEOC Awards is a *national* program that will help participating organizations create positive brand differentiation within the sector and gain a competitive advantage to attract, engage and retain top talent.

Candidates for the NEOC award are those nonprofits who have the *courage* to move away from a historic pattern of neglect and the *vision* to invest in exemplary human resource practices.



Three-step process to participate

1. Submit an application
2. Complete the Organizational Profile
3. Distribute the Employee Commitment Survey (the link of the employee to the organization is measured in commitment, identification and citizenship) for anonymous completion.

Eligibility

- Registered as a Canadian nonprofit;
- Have a physical presence in Canada;
- Have 10 or more full-time employees and, have been in operation for a minimum of one year.

If a nonprofit has multiple locations, divisions, affiliates or subsidiaries that are part of the same legal entity, they may complete a combined entry under the name of the parent organization.

If the nonprofit has divisions, affiliates or subsidiaries that are separate legal entities, each one must submit a separate application.

NONPROFIT EMPLOYERS OF CHOICE 2015

In the inaugural year of the program, ten organizations from across Canada fulfilled the requirements to be named a Canadian Nonprofit Employer of Choice.

The **2015 NEOC award recipients** are:

Canadian Mental Health Association York Region Branch (ON)

Community Living London (ON)

Deafblind Ontario Services (ON)

Fresh Start Recovery Centre (AB)

Joseph Brant Hospital Foundation (ON)

Movember Foundation (ON)

Nanaimo & District Hospital Foundation (BC)

Plan International Canada (ON)

Selections Career Support Services (AB)

SOS Children's Villages Canada (ON)



All winners successfully completed the NEOC Organizational Profile and Employee Commitment Survey achieving a minimum overall score of 75% to qualify for the award.

EMPLOYEE ENGAGEMENT AND RETENTION

Employee engagement and retention are two of the most critical elements in building a successful, sustainable nonprofit organization. However, these two areas are also challenging to understand and manage.

As part of the award assessment process, the Nonprofit Employer of Choice award program conducts an Employee Commitment Survey which provides tremendous insights into how employees truly feel about their workplace. Data from all surveys is aggregated to determine the average, or benchmark, score for each category and individual survey statements.

We have highlighted three categories from the survey that have the most direct impact on employee morale and retention: employee engagement, leadership and personal enjoyment.

The number represents the top two box scores (4 "strongly agree" + 5 "moderately agree") added together and worked out as a percentage of the overall maximum positive score for that statement.



TAKE-AWAY #1: EMPLOYEE ENGAGEMENT

The nonprofit work environment is complex. A significant concept is learning to thrive in this type of work situation and stop the burnout cycle. A good work place will encourage healthy self management practices, like nutritious food, yoga, reasonable hours etc. Supporting resiliency in staff is critical, as is identified in these responses.

Most employees are looking for more opportunities in the workplace to be involved in decisions that affect them. If they are not able to contribute in a meaningful way, they can feel left out and ignored. If this is allowed to continue, employees typically become disengaged and start looking for employment elsewhere. Best practice supports flat organizations which are adaptive and encourage employees to “speak up” - this 66% rating indicates the prevalent presence of top down management.

My organization...	Score (4 + 5)
Supports diversity in the workplace	89%
Encourages a supportive team culture	83%
Inspires me to do my best everyday	78%
Values employees contributions to the organization	76%
Provides me support to help manage stress	67%
Involves employees in decisions that impact them	66%

TAKE-AWAY #2: LEADERSHIP

Having excellent communication practices and being innovative are key performance indicators for a sustainable nonprofit. It is critical for leaders to listen to alternative voices and act on the input. Engaged employees are frequently the source of compelling new ideas which will improve impact and help achieve strategic objectives.

Our executive leaders...	Score (4 + 5)
Effectively communicate organizational goals and vision	86%
Truly understand the needs of the market	80%
Acknowledge and are supportive of employees in my department	77%
Show a genuine concern for employee well-being	73%
Regularly solicit feedback from employees and act on the results	66%

TAKE-AWAY #3: PERSONAL ENJOYMENT

These responses are measuring the “identification” and “citizenship components” of employee satisfaction. A rating of only 70% of the comment “Management is supportive of my personal passions and goals” indicates that not all leadership is connecting with their people. As a result of this, employees are less willing to go the extra mile resulting in reduced “discretionary effort.”

One of the most consequential outcomes of low engagement is, of course, high staff turnover. This snapshot of responses tells the story: low employee satisfaction results in 35% of employees either not indicating their intent to look for a new job, or not disclosing that they are actively looking for other opportunities and have a plan to leave.

	Score (4 + 5)
I feel good about our organization’s products and services	93%
I am proud to be working here	92%
I would recommend working here to a friend	86%
My organization encourages fun and enjoyment	78%
Management is supportive of my personal passions and goals	70%
I am not looking for another job outside the organization	65%

A solid reputation will instill the trust, confidence and support from internal and external stakeholders and is critical for long-term sustainability and impact.

Highest scoring statement

MY ORGANIZATION
**PROMOTES
A POSITIVE
PUBLIC IMAGE** **96%**
Strongly or
moderately agree

Lowest scoring statement

MY ORGANIZATION
**PROVIDES
MOTIVATING
INCENTIVES
AND BONUSES** **42%**
Strongly or
moderately agree

Nonprofits have taken “equity” to the extreme and there is a trend to move towards “individualization of employee relationship” if you want to attract and retain the best people. Leaders in the sector must move away from sharing the pool of bonus money based on service or equity and start *paying for performance*. If they don’t, they will see a trend of keeping bad performers while good people move on.

ABOUT NEOC

Corporate Culture and Employer of Choice (CCEOC), a leader in establishing best workplace programs, has partnered with Hilborn:ECS to promote and deliver this prestigious program. Take advantage today of this opportunity to establish your nonprofit as an exemplary talent manager.

www.neoc.ca

