In The Nonprofit Sector
How To Retain Employees

Nonprofits in Crisis

Summer 2009
PVA 791
Keith R. Paul
Diana R. Paul
Lori Lopez-Newman
Jocelynn Blufft-Fisher
Liz Armstrong
Social work is such meaningful, worthwhile work that I've decided to sell my Porsche and give up my lucrative law practice to join you!
Outline

- Lessons Learned
- Conclusion
- Summary of Recommendations for Each Goal
- Issues/Findings/Recommendations for Each Goal
- Methodology
- Goals of Our Analysis
- Background

Goals of Our Analysis
Methodology
Issues/Findings/Recommendations
Summary of Recommendations for Each Goal
Conclusion
Lessons Learned
Traditionally, nonprofit agencies providing human services have relied on the organization's mission to recruit and retain employees. But demands for more accountability by government agencies and a decrease in funding is placing more pressure on nonprofit employees, making their connection to the agency's mission less important. Less important, employees opt to pursue positions that offer more pay when the stress of their workload overpowers their desire to make a difference.

Background
To retain qualified employees, nonprofits must develop new methods and incentives that:

1. Reduces turnover and keeps costs low.
2. Identify alternatives to raising salaries.
3. Minimizes employee burnout.

Goals of Our Analysis
The goal of the methodology is to explore why turnover occurs through collecting quantitative and qualitative data. The 2009 Nevada Nonprofit Compensation Study commissioned by Nevada Nonprofit Compensation and qualitative data from three focus groups were conducted of frontline workers and three were conducted of administrative staff from three local nonprofit organizations.
Reduces Turnover
Keeps Costs Low

Issues:

Turnover can be damaging to the overall effectiveness of the organization, affecting clients, staff members, and most importantly, the agency’s effectiveness of the organization, affecting productivity, and vacancies. Organizations must spend money on advertising, new employee training and advertising, new employee training and advertising, new employee training and advertising, new employee training and advertising, new employee training and advertising, new employee training and advertising, new employee training and advertising, new employee training and advertising, new employee training and advertising, new employee training

Goal 1: Reduces Turnover
A Keeps Costs Low
Focus Group and Survey Findings

- Turnover was evident by the fact that the participating focus group frontline staff members had been with their nonprofit as little as 6 months and no longer than 5 years.

- 65% of survey respondents stated that they have only held their current position for 5 years or less.

- Focus group administrative teams reported the number one reason for staff turnover was a lack of job satisfaction and becoming too attached to clients.

Goal 1: Reduces Turnover

8. Keeps Costs Low
Goal 1: Reduces Turnover

G: Keeps Costs Low

Recommendations:

> Improve HR Practices
> Use Volunteers
Issues:

-raising salaries

Goal 2: Identity Alternatives to
Focus Group/Survey Findings:

One frontline staff member said they felt it was sad that some of their co-workers qualified for the services the agency provided.

Most workers agreed salary was "enough to pay the bills, but not a lot of extras." One frontline staff member said they felt it was sad that some of their co-workers qualified for the services the agency provided.

The agencies with the salaries on the higher end paid the premium, while the agencies with the salaries on the lower end paid a smaller percentage. One frontline staff member said they felt it was sad that some of their co-workers qualified for the services the agency provided.

Goal 2: Identify Alternatives to Raising Salaries

The agencies with the salaries on the lower end of the spectrum paid more of their staff members' insurance premiums than the agencies with the salaries on the higher end.

Most workers agreed salary was "enough to pay the bills, but not a lot of extras." One frontline staff member said they felt it was sad that some of their co-workers qualified for the services the agency provided.
Recommendations:

- Find Ways to Develop Staff
- Keep up with National Trends

Goal 2: Identity Alternatives to Raising Salaries
There is an increased demand for accountability by government agencies and private donors. This places more stress on staff already overloaded caseload.

There is an increased demand for accountability by government agencies and private donors.

In general, these workers face considerable emotional situations. Stressors increase the emotional exhaustion of human service workers and divert their time away from assisting clients.

Less time spent working toward the organization's mission increases the emotional exhaustion of human service workers.

There is an increased demand for accountability by government agencies and private donors.

Burndout

Goal 3: Minimize Employeeエミプリー
Focus Group/Survey Findings:

- The nonprofits attempted to address employee burnout by offering their employees paid time off and flexible work schedules.
- Two of the three agencies offered their employees Employee Assistance Programs (EAP) to provide them with counseling to manage the emotional strain they experienced from working with difficult clients.
- The agency with the highest turnover did not offer any type of formal counseling to their front line staff.
- Offering staff support and showing appreciation also helps to reduce turnover.
- Still, large amounts of duplicative grant reporting and paperwork led to staff burnout.
Recommendations:

- Support and Mentor Employees
- Offer Flexible Work Schedules and other Benefits
- Streamline the Data Collection Method

Goal 3: Minimize Employee Burnout

- Recommendations:
Recommendations

Summary of:

- Streamline the Data Collection Method.
- Other Benefits.
- Offer Flexible Work Schedules and
- Support and Mentor Employees.
- Keep up with National Trends.
- Find Ways to Develop Staff.
- Use Volunteers.
- Improve HR Practices.

Improve HR Practices.
The literature, survey and local focus group interviews all concur that retention in the nonprofit human services industry is a challenge that must be addressed. While pay is a factor, it is not the only factor that is a barrier to retention. The stressful nature of the work and lack of support and appreciation are factors as well.

As mentioned in the recommendations, strategies aimed at finding the right fit/employee for the nature of the work, as well as creating the right working environment are key to solving the problems related to retention. The literature, survey, and local focus group interviews all concur that retention in the nonprofit human services industry is a challenge that must be addressed.
Time constraints

Lessons Learned

Selection of Participants
- Participants may not have been comfortable speaking openly at their agency.
- Participants may want to leave, may be unhappy, but jobs are scarce.

Effects of the Recession
- Participants selected by the agencies.

Location of Focus Groups
- Focus group participants selected by the agencies.

- More focus groups to further validate our assumptions.
- Further validate our assumptions.
Questions ?
Nonprofits In Crisis: How To Retain Employees In The Nonprofit Sector

Liz Armstrong
Jocelyn Bluitt-Fisher
Lori Lopez-Newman
Diana R. Paul
Keith R. Paul

PUA 791
Summer 2009
SOCIAL WORK IS SUCH MEANINGFUL, WORTHWHILE WORK THAT I'VE DECIDED TO SELL MY PORSCHE AND GIVE UP MY LUCRATIVE LAW PRACTICE TO JOIN YOU!
Outline

- Background
- Goals of Our Analysis
- Methodology
- Issues/Findings/Recommendations for Each Goal
- Summary of Recommendations
- Conclusion
- Lessons Learned
Traditionally, nonprofit agencies providing human services have relied on the organization's mission to recruit and retain employees. But demands for more accountability by government agencies and a decrease in funding is placing more pressure on nonprofit employees, making their connection to the agency's mission less important. Employees opt to pursue positions that offer more pay when the stress of their workload overpowers their desire to make a difference.

Bullet 1: The universal belief in the nonprofit sector is that employees who are aware of the organization's mission, and have a passion for the cause or issues the nonprofit organization serves, are more likely to remain with the organization. Research indicates that employees who had a positive attitude toward the organization's mission had higher levels of job satisfaction and were more likely to remain with the organization. “However, dissatisfaction with pay tended to override employee's mission attachment as explanation of why they may leave the organization” (Brown, W. & Yoshioka, C., 2003).
To retain qualified employees, nonprofits must develop new methods and incentives that:

1. Reduces turnover and keeps costs low.
2. Identify alternatives to raising salaries.
3. Minimizes employee burnout.
Methodology

- The goal of the methodology is to explore why turnover occurs through collecting quantitative and qualitative data.
- 2009 Nevada Nonprofit Compensation Study commissioned by Nevada Nonprofit News was used for quantitative data.
- Three focus groups were conducted of frontline workers and three were conducted of administrative staff from three local nonprofit organizations.

Bullet 1: This was a survey of private, nonprofit organizations throughout the state of Nevada representing various areas. The Nevada Nonprofit News study gives a great background on the subject of nonprofits, compensation, and turnover in a more quantitative approach.

Bullet 2: These focus groups provided important qualitative data including why employees leave nonprofits, and where they relocate to. The research aims to find answers that are more open-ended and in-depth than yes or no.
Goal 1: Reduces Turnover & Keeps Costs Low

• Issues:
  ➢ Turnover can be damaging to the overall effectiveness of the organization, affecting employers, staff members and most importantly, clients.
  ➢ Organizations must spend money on advertising, new employee training and overtime for remaining staff due to turnover and vacancies.
  ➢ Turnover also causes a loss in productivity, stress and emotional burnout, reduced quality of service for clients, and ultimately loss of clients and revenue to other agencies.
Goal 1: Reduces Turnover & Keeps Costs Low

- Focus Group and Survey Findings:

  ➢ Turnover was evident by the fact that the participating focus group frontline staff members had been with their nonprofit as little as 6 months and no longer than 5 years.
  ➢ 65% of survey respondents stated that they have only held their current position for 5 years or less.

- Focus group administrative teams reported the number one reason for staff turnover was a lack of job satisfaction and becoming too attached to clients.
Goal 1: Reduces Turnover & Keeps Costs Low

- **Recommendations:**
  - Improve HR Practices
  - Use Volunteers

**Improve HR Practices:**
- Nonprofits need to be more selective in the individuals they hire.
- Don’t rush the process, find someone who not only can do the work but is passionate about the work.
- More in-depth interviews should be done with potential employees to ensure it is someone who has a passion for the work and understands the demands of the jobs.
- Hiring someone who’s been a former client of the nonprofit is another way that nonprofits can find a person who understands the demands of the job, because they have been on the receiving end of the services.
- Education level should not be a determinant in whether someone gets hired for a front-line position; someone with a bachelor’s degree has more options and can move from one nonprofit to another with higher pay.

**Use Volunteers:**
- Volunteers could assist with the workload and even handle some of the less technical aspects like data entry at no cost to the employer.
- This could free up caseworkers who are bogged down with paperwork and other routine tasks.
Goal 2: Identify Alternatives to Raising Salaries

Issues:
- Workers are paid very low wages compared to the private and government sector.
- 88% of nonprofit case managers/workers working in Southern Nevada earn less than $40,000 annually, of which 25% take home less than $25,000 per year.
- A majority of Southern Nevada nonprofit case managers/workers are earning less than the median household income, which is $54,299.

Bullet 1:
- Reported average hourly wage of frontline workers in Southern Nevada is $11.00.
- Government sector human service workers earn $33.00 average hourly wage, triple that of their nonprofit counterparts.
- A quarter of these workers are earning below the current living wage level for a Clark County single parent with one child, which is $12.87 per hour or $26,763.96 annually.

Bullet 2: Based on focus group interviews with three local nonprofits
Bullet 3: According to City of Las Vegas case worker salary pay scale
Goal 2: Identify Alternatives to Raising Salaries

- Focus Group/Survey Findings:

  ➢ The agencies with the salaries on the lower end of the spectrum paid more of their staff member's insurance premium; the agencies with the salaries on the higher end paid a smaller percentage.

  ➢ Most workers agreed salary was “enough to pay the bills, but not a lot of extras.”

  ➢ One frontline staff member said they felt it was sad that some of their co-workers qualified for the services the agency provided.
Goal 2: Identify Alternatives to Raising Salaries

- Recommendations:
  - Find Ways to Develop Staff
  - Keep up with National Trends

Find Ways to Develop Staff:
- Online training is little to no cost.
- By offering this type of training that is little cost, the organizations are making an investment in their employees, which leads the workers to feel valued and more likely to stay with the organization.
- Also, once a position at the nonprofit becomes available that is higher pay, that employee would be qualified and could advance in the organization.

Keep up with National Trends:
- This is an effective way for organizations to keep up with best practices and use what is working at their place of employment.
- Board members also need to keep up with national trends as it relates to employee salaries, so they can adjust their salaries if possible.
Goal 3: Minimizes Employee Burnout

- **Issues:**
  - There is an increased demand for accountability by government agencies and private donors.
    - This places more stress on staff's already overloaded caseload and diverts their time away from assisting clients.
  - Less time spent working toward the organization's mission increases the emotional exhaustion of human service workers.
  - In general, these workers face considerable emotional demands and must respond daily to socially distressing situations.
Focus Group/Survey Findings:

- The nonprofits attempted to address employee burnout by offering their employees paid time off and flexible work schedules.

- Two of the three agencies offered their employees Employee Assistance Programs (EAP) to provide them with counseling to manage the emotional strain they experienced from working with difficult clients.
  - The agency with the highest turnover did not offer any type of formal counseling to their front line staff.

- Offering staff support and showing appreciation also helps to reduce turnover.

- Still, large amounts of duplicative grant reporting and paperwork led to staff burnout.
Goal 3: Minimizes Employee Burnout

**Recommendations:**

- Support and Mentor Employees
- Offer Flexible Work Schedules and other Benefits
- Streamline the Data Collection Method

**Support and Mentor Employees:**
- During the focus group sessions, it was clear that the agency that had a supportive administrator who had an open working environment for conflict had a happier workforce and was able to retain employees.
- The administrator in charge of the nonprofit needs to be supportive of its employees and provide opportunities for employees to vent their frustrations and concerns.
- The board of directors needs to take the time to find the right administrator for the job.

**Offer Flexible Work Schedules and other Benefits:**
- Increasing pay does not seem to be an option for workers, so agencies need to offer flexible work schedules, banked holidays and other incentives that cost the organization little if anything.
- Flexible works schedules, vacation days and other benefits give workers the time to meet their family obligations and give them a respite from the stress of work.

**Create One Data Collection Method:**
- Employees from the three focus groups agreed that data collection was extremely difficult and time consuming because of the different systems.
- Government funders should collectively create one system for data collection that would be used by all Clark County nonprofits.
- This would result in employees not taking so much time to do paperwork and would standardize the process.
- There should be one database that nonprofits could use to access information on clients.
Summary of Recommendations

- Improve HR Practices.
- Use Volunteers.
- Find Ways to Develop Staff.
- Keep up with National Trends.
- Support and Mentor Employees.
- Offer Flexible Work Schedules and other Benefits.
- Streamline the Data Collection Method.
The literature, survey and local focus group interviews all concur that retention in the nonprofit human services industry is a challenge that must be addressed.

While pay is a factor, it is not the only factor that is a barrier to retention. The stressful nature of the work and lack of support and appreciation are factors as well.

As mentioned in the recommendations, strategies aimed at finding the right fit/employee for the nature of the work, as well as creating the right working environment are key to solving the problems related to retention.
Lessons Learned

- **Time constraints**
  - More focus groups to further validate our assumptions.

- **Selection of Participants**
  - Focus group participants selected by the agencies.

- **Location of Focus Groups**
  - Participants may not have been comfortable speaking openly at their agency.

- **Effects of the Recession**
  - Participants may want to leave, may be unhappy, but jobs are scarce.

Time Constraints – Our team would have liked to conduct more focus groups to validate our assumptions over a broader range of agencies, but we could not coordinate times that worked for their schedules and ours in the short time frame we had to collect our data.

Selection of Participants – The responses may have been different if we were able to select the employees who participated in the focus groups. The front line employees who participated were selected by the agency. It is possible that they selected employees who would give us the responses we wanted to hear or that would be favorable to the agency.

Location of Focus Groups – The results may have also been different if the focus groups were conducted at a location away from the agency. Employees may have spoken more openly if they knew there was no way their bosses could hear what they said. After one focus group, we did see an Executive Director standing just outside of the door.

Effects of the recession – Doing this research project during the recession could have skewed the results. The number of dissatisfied employees could be greater than the turnover rates are showing. Because of the economy and the lack of job opportunities in our community, employees may be staying with their agency because they do not feel they have any place to go.
Questions ?