

Nonprofit Talent Sustainability Strategies:

5 Ways to Combat Hiring & Succession Planning Obstacles





Talent Management ... And Why It Matters

Your team is as critical to your mission as the North Star and wind are to a sailing ship. Without the guidance of strong and steady leadership or the driving force of sufficient organizational support, a nonprofit can sink in the treacherous shoals of financial, strategic and geopolitical uncertainties.

Yet, large numbers of nonprofits fail to think through their hiring strategies. They may rely on interest in their mission to recruit and retain employees. As many as 32% do nothing to compete for talent. Even worse, Concord¹ reports that 77% of nonprofit organizations across the country have no leadership transition or succession plan.

This causes staff burnout, unfinished projects, lost deadlines, and unrealized mission goals. And it's getting worse. Every day, 10,000 Baby Boomers reach retirement age. A whopping 72% of nonprofits surveyed by BDO² rank staff retention and recruitment as a challenge they expect to face this year.

Is your organization prepared?



WARNING: Ignoring the challenge of talent sustainability can weaken or even lead to closure of a nonprofit.

The following five strategies will help sustain your organization with talent that's a right-fit for your values, culture and mission.

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Offer Competitive Benefits and Compensation

The talent marketplace behaves similarly to the products marketplace: Supply and demand rule costs. So, your challenges in recruiting and retaining personnel rely largely on the depth of the candidate pool.

At present, the national unemployment rate is at an all-time low, so nonprofits must present competitive and enticing job offers to attract the best-fit candidates ... despite budgetary constraints. You may not be able to compete with for-profit employers when it comes to the employees' paycheck, but this is where a well-thought-out benefits package (including an important mission and valued organizational culture) can make all the difference to a job candidate accepting a role at your nonprofit. It is a manageable means of finding the best people in the most cost-effective way.

Selecting the right combination of benefits for your organization will be, without question, a moving target. In a field of evolving benefits package options, you must persist in adopting what works for your organization with a nod to your mission, but also keeping an eye on your shifting conditions in regard to finances, employment competition, resources and available candidates. Knowing how to choose wisely what matters most to your employees is better than having to eliminate or reduce benefits in order to meet budgetary constraints.

It is crucial that you leverage your benefits to make the most of your investment in talent acquisition. Your outlay should result in a recognizable benefit — a good value for its cost — to help retain your current employees while also persuading a candidate to accept a position. Be sure to pick benefits that will perform well for the majority of your staff.

These 5 simple steps³ will help you leverage your benefits:

1. **Ask your employees which benefits they most value.** A formal written survey works best, as you can analyze responses and later show how you have understood their needs. Make it clear that you are only gathering information at this point and cannot promise to fulfill all requests.
2. **Compare your organization's benefits against your competitors.** Are similar types of nonprofits offering a benefit that your organization lacks? Would it make a wise and cost-effective investment to consider for your staff?
3. **Know your employer brand.** As a nonprofit, your corporate values can draw candidates who believe in what you do. Be sure to communicate your corporate values clearly and engage employees in activities that support your mission. Recognize staff for supporting that mission.
4. **Keep track of your benefits and control their costs in smart ways.** You may be required by law to provide healthcare benefits. So you could add a wellness program to help reduce healthcare costs. Also, offering standing desks, healthy snacks and group walking breaks during the day will go a long way toward enhancing overall satisfaction while also lowering healthcare costs.
5. **Communicate clearly.** This is important throughout the process. Follow which benefits are used less and make sure the benefits — and instructions on how to take advantage of them — are understood by all.

It's important to recognize that a benefit offered by a competitor may not be the best choice for your nonprofit. For example, an organization that employs mostly Millennials may be more likely to find success offering career development and advancement opportunities where an organization with a more age-diverse staff might find success with other benefits choices, as members of the Baby Boomer generation generally place a higher value on healthcare and wellness benefits.

You might consider expanding on legally required benefits, such as offering healthcare to your employees' families and other dependents. For example, many companies offer coverage to domestic partners, regardless of gender. This may be a valuable tactic if your pool of candidates responds to that expansion. Surveys will help with these decisions. Another point to consider is offering benefits that sustain your mission and culture, which alone will attract more right-fit candidates for your job postings. Offer paid time off for employee hours spent volunteering at local schools, senior centers, animal shelters or any service that coincides with your mission and values. Can you match donations made by staff up to a capped annual amount? When you do determine what works best, make sure you advertise the information online, especially on Social Media and in job postings.

Potential Benefits Options

The list of possible benefits your organization could offer is long. Although your team will need to make final decisions when narrowing the choices, below are some of the most common benefits options that nonprofits favor to get help get you started. While these are popular, it would be worth your time to explore additional possibilities and discover exactly what kinds of benefits would best serve your team.

- **Wellness Programs.** Often, the cost of introducing a wellness program is more than offset by a reduction in healthcare expenses. Working with wellness groups that can help with smoking cessation, weight-loss programs, fitness, stress and more can be valuable for candidates, staff, and the organization as a whole.
- **Paid Leave.** Most employers offer this critical benefit. How you distinguish between vacation time, sick time, and personal time off is dependent on the culture at your organization. When all leave time is banked as "leave" time, more employees may work when contagious in order to save up time for vacations. Offering sick leave, as such, could be beneficial to the entire staff. Some employers are even adding days for an employee to take off to take care of sick family members or to cover days off of school for children. Surveying the employees will help you determine which of these options would be most valuable to them and ultimately the best for your organization.

- **Work-Life Balance.** This crucial benefit might include flexible work schedules and remote work arrangements. Such arrangements can be a low-cost but highly effective tool in building employee satisfaction. It ranks so high on employee satisfaction surveys that 84% of organizations participating in the BDO study are planning to offer some type of flexible work arrangement within the next two years. The study also showed that smaller nonprofits were more likely to offer flexible work schedules and may be able to offer it as a tradeoff for lower compensation levels. Since many nonprofits are less structured than the larger organizations, there is more freedom to create and deliver this benefit with minimal cost or risk associated with the organization.
- **Development Training.** The SHRM's 2017 study found that a lack of career advancement opportunities was the reason 21% of employees give for leaving a job. It can be a challenge to provide opportunities for promotions or transfers within your organization. Still, you could offer professional development opportunities, which may have the added benefit of helping with succession planning, while also providing your organization with a more educated and skilled staff. An impressive 48% of HR professionals reported in the same study that the most effective recruiting strategy for their organization was training existing employees to tackle hard-to-fill positions. Another option for training opportunities is to look at your local state or national nonprofit association. These organizations often conduct numerous training programs throughout the year at affordable costs.
- **Retirement Benefits.** Nonprofits that help employees save and plan for their retirement offer a retirement plan such as a 403B or 401K, and some even include employer contributions. Choosing this benefits option would depend on its usefulness and attractiveness to a majority of the organization's staff.

Dollars and Sense

Compensation is part of the equation, of course. More than 60% of for-profit employees surveyed⁴ said it was very important to their job satisfaction. According to several studies by UST's Division of Research, nonprofit employees rank compensation and benefits lower than items such as the nature of the work and making a difference when it came to ranking the top contributors of their job satisfaction and engagement. However, compensation did in fact influence a nonprofit employee's willingness to leave and their overall job satisfaction — especially when the employees said their wages were below “fair.” Recognize that money is part of the deal, but so is building a healthy and enjoyable culture and offering benefits that hold real value.



Embrace Your Diverse Pool of Candidates

Every nonprofit organization has an employer brand.⁵ It's a checklist of descriptive labels — how you're perceived by both candidates and current employees. Have you paid attention to your organization's brand?

Staff photos showing a lack of diversity may inhibit qualified candidates from applying for positions. Worse yet, your company culture may actually suffer from a genuine lack of diversity that affects employee satisfaction and can lead to a loss of current employees. This is the perfect time to expand your candidate pool by embracing increased diversity in race, religion, gender, sexual orientation and age.

How to Build Diversity

Regina Hartley, Vice President of Human Resources at UPS said, “Don’t be the gatekeeper. Be the Gateway.”⁶ Equitable job postings and hiring practices can make a huge difference in increasing the diversity levels within your organization. Too often we discard a candidate’s resume if we see typos or poor use of grammar rather than allowing for applicants whose English is a second or third language. Organizational guidelines for screening and hiring should evolve to accept applicants even if their résumé is not “perfect.”

Consider the following changes to your job postings:

- **Use a less formal tone.** Make your ad inviting to a broader range of applicants by simply sounding human.
- **Do not use an application as a barrier.** If an applicant’s resume contains all the same information, why make them spell it out twice?
- **Accept equivalent experience for degrees.** Insisting on formal degrees leaves behind many qualified candidates with experience and skills you need. If a position is not specialized (requiring a degree or certificate legally), consider opening your doors to those who may have a lot to offer other than a degree.
- **Stop requiring a car, driver’s license or car insurance.** Unless the position requires driving, making deliveries or something along those lines, consider that this excludes low-income or disabled candidates.

There are many other changes⁷ you can make to impact the diverse nature of your staff, but these few are an excellent start. Of course, you must also work to keep your culture inclusive and supportive of a diverse staff.

Social Media and Diversity

About 1 out of 4 job applicants currently use social media to research prospective employers.⁸ This is good news for branding-savvy nonprofits, as Facebook, LinkedIn, YouTube and Instagram can be no- or low-cost methods for sharing messages about your culture, your employee experience, your mission and any job opportunities. A negative perspective of organizational culture is one of the main reasons candidates turn down job offers. Judicious use of social media showing accurate and positive aspects of your organization’s culture can help you locate and hire the right candidate. Workers between the ages of 18 to 29 prefer Instagram, so it’s a great place to search for candidates in that generation.

Implement a Leadership Development Program

Developing your team's leadership skills is one of the most cost-effective investments you can make. It will keep your organization competitive in the job market, as candidates seek more value for the years they spend in a position.

If job candidates can visualize a future that encompasses skills and training received on the job — with the hope of upward mobility — then more will accept your job offers and arrive on staff ready to work toward your combined goals.

In fact, training staff in-house to accomplish the tasks that will sustain your organization makes it a benefit for the organization as well as the employees. True, not everyone will become a leader, and some staff may take their learned skills elsewhere, but you have the benefit of their improved skills while they remain on staff. Plus, you may find that you can shape future leaders who are perfect for your organization.

When deciding whether a leadership development program is right for your organization, ask yourself the following questions⁹ for guidance:

1. Would a leadership development program be cost-effective and sustainable?
2. How does your organization compare to its competitors in this area?
3. Is leadership development aligned with your organizational strategy, culture and values?

Nonprofit Cultural Values

Perhaps the most striking reason to implement a leadership development program comes from the fact that your organization is a nonprofit that serves communities. What better way to say who you are and how you differ from a for-profit business than to extend your value of improving lives to the very people who work in the organization? Better still, the organizational strategy that supports your efforts will require leaders, and the goals of servant leadership are best realized when they come from the heart of the organization. By offering a leadership development program you are, in effect, saying, “Join us. We value you and your personal growth. We know you have a lot to offer, and we want to help you grow into the leader you can be, the leader we will need.” That is a powerful welcoming statement that will certainly draw a number of high-energy, intelligent and caring individuals to your team.

While there may be fewer openings for upward mobility in smaller nonprofits, a position at any level may still be an enriching experience when opportunities for personal or professional growth are part of the job. These opportunities could include project leadership, teamwork, cross-training, internal presentation opportunities, and external public speaking engagements such as representing the agency at public events. Inviting managers to delegate more may require trust and patience on everyone’s part but will ultimately allow your entire staff to exceed your expectations.

Millennials and Leadership Development

In a study¹⁰ on job satisfaction and engagement, Millennials (ages 18 to 34) were much more interested than other generations in job advancement or growth opportunities as well as training opportunities. Where 13% of Non-Millennials (ages 36 and up) called advancement a factor in job satisfaction, 22% of Millennials valued it as part of their overall satisfaction and engagement. And 21% of Non-Millennials valued training opportunities while 35% of Millennials did. Clearly, organizations seeking to attract Millennials should consider offering some benefits along these lines. Using social media to demonstrate that your organization values promoting from within, whenever possible, will also be valued by this generation of candidates and employees.

Too Old to Lead? Of Course Not!

While it may seem that Gen X (ages 35 to 50) have less of an interest in leadership development, nonprofit leaders may find that to be far from true. In fact, members of the Gen X and Boomers (ages 51 to 60) generations may have fled stagnation in for-profit companies where their ages have become an issue. Retirement at age 65 is widely considered a thing of the past, especially when many people are working to recover retirement savings lost during the Great Recession. But they're not simply looking for a job. They're seeking a culture that values creativity, productivity, intelligence and hard work ... despite a staff member's numerical age. This is where a nonprofit can shine. When all prejudices are stripped away — including age preferences — nonprofit leaders may be thrilled to reap the bounty of talent that is readily available.

On-Demand Employee Training

Nonprofits can take advantage of no- or low-cost leadership training through a variety of outsourced online training programs. For example, the UST HR Workplace powered by ThinkHR is a cloud-based training platform that provides more than 200 courses on leadership and career-related topics to nonprofits and their employees. Between 2015 and 2016, UST's participants collectively took 8,305 ThinkHR training courses. Access to this HR platform is free for UST's member nonprofits. Non-member organizations can test drive these services by signing up for a free 30-day trial at www.ChooseUST.org/thinkhr. The training platform's tagline, "Best-in-class courses create world class employees," speaks volumes.

Solicit Feedback to Foster Employee Satisfaction

Employees want to be heard, and feel as though their opinions and personal growth matter. Supervisors must take the time to request and listen to employee feedback before the issues become irrelevant ... or the employee has started to look for job opportunities elsewhere.

Nearly 35% percent of respondents to a 2015 survey conducted by UST's Division of Research reported that "Respect for employee feedback" contributed to employee satisfaction. While this fell below "affinity for the organization's mission" or "sense of purpose," it still registered as a reason for employees to stay on the job.

Feedback also allows the organization's leaders to plan with better strategic targeting of benefits dollars. In fact, active and regular solicitation of feedback regarding much more — internal processes and work procedures — does more than give staff members a sense of inclusion; it gives them a relevant say in matters concerning the organization. Theirs is the voice of experience, and it can be valuable to take advantage of their advice.

Survey Tip: Ask the Right Questions

When formulating employee surveys, you can maximize the significance of the information you're requesting. First, take the guesswork out of selecting benefits by asking the employees which they value most. Caution: Make it clear that asking for and discussing various benefits options does not guarantee they will be made available. But it does show that the organization is willing to listen and consider the possibilities proposed. Then, move beyond that and select topics of importance to both the organization and employees.

Your employees know where the gold is buried in the hierarchy of responsibilities and reporting. For example, a staff member who handles public relations may edit all written material sent to her by various departments before the public reads it. The decisions she makes on capitalization, spellings, acronyms, punctuation and more form guidelines that empower the organization to communicate with an authoritative, uniform voice. Those guidelines might disappear someday when the employee leaves. The ex-employee's replacement will be forced to research what has been decided or even recreate an entire style guide — in effect, reinventing the wheel. Surveys that ask about the existence of in-house reference documents such as a style guide can keep such information safe for future use.

Prepare for Inevitable Staffing Departures

Staff departures are a given in any organization. Even employees who make a lifetime career with one employer eventually retire. Failing to recognize this fact of life is one of the biggest causes of organizational failure for nonprofits.

Reasons for failing to plan for the loss of staff members, especially key staff members, may include emotional ties, time commitments, and internal office politics. It may also simply be a result of poor communication between leaders in the organization. Most likely, it is some combination of all these reasons. But the problems caused by ignoring reality will no doubt bring even bigger problems. The time for conversations about succession planning and talent acquisition is before the seat goes empty. Recognize that staff are counting on leadership to consider the organization's future for its employees and even more for the beneficiaries of its services.

The good news is, you don't need to address this alone.

Sustainability Planning and Talent Acquisition

Spending time now planning for sustainability will protect your nonprofit's ability to fulfill its mission for years to come. First, as a team, take the time to determine precisely what each person's role does for the organization. Surveys can help with this. Once it is clear how each position impacts the organization, then you can be prepared to handle the departure of a team member. This should be updated annually, as roles often shift in nonprofits. Take advantage of skill-building opportunities for all levels of staff, so that a lower-level employee will be ready to step up and fill a position when it becomes necessary.

Talent Acquisition, in general, is a challenge for nonprofits, but one that can be met with creative planning and modern thinking, such as embracing the diversity often lacking in for-profit hiring practices. It should be noted that 65% of nonprofits are failing to develop multi-generational teams.¹¹ This is a critical mistake that can leave gaps in staffing when Baby Boomer generation employees retire.

Of course, it's just as important to pay attention to retention of current employees. The culture of a nonprofit can be almost as compelling as having a strong affinity for an organization's mission, according to UST's Division of Research. More than 60% of employees reported that the culture or office environment was a factor that contributed to job satisfaction.

When the Leader Leaves

In the last 20 years, the fields of executive transition and allied practices have developed to the point that, when an organization can work toward the goal of planned succession, they have a better chance of avoiding the catastrophes that can strike during that challenging time. Yet 77% of nonprofits have no leadership transition or succession plan, according to Concord.¹² We've all heard it before, "That woman is the heart and soul of her nonprofit. Without her there, doing what she does, the organization would fall apart." That kind of thinking is a self-fulfilling prophecy.

While some nonprofits make it through leadership loss by focusing on a talent search and also strengthening organizational performance, other organizations follow a more comprehensive approach — Executive Transition Management¹³ — which proposes that a change in leadership presents an opportunity to broaden the scope and power of the organization's mission.

Follow these 3 steps to success using the Executive Transition approach:

1. **Prepare.** The Board, other managers, and key stakeholders should decide which direction the nonprofit will be heading in the future, what challenges might be coming and what opportunities could arise, then determine which skills and abilities they will need from the next executive.
2. **Search.** Select the executive most suited to meet those requirements recognized in the preparation step of the process.
3. **Onboard.** Support the new executive with practical information on priorities and expectations, as well as help nurturing relationships with staff and the community they serve. Nearly 1 out of 3 of all new hires at all levels quit their jobs within the first six months.¹⁴ Appropriate onboarding can prevent such losses.

During this process, organizations that work with professional interim leaders and other support specialists are more likely to survive and thrive through the transition from one executive to the next.

Succession Planning

Overcome the reluctance of your nonprofit's leadership team about creating a succession plan by beginning with an emergency plan. How can your organization survive and even thrive in the wake of an unexpected disaster or loss? Once you work through those questions, the larger issues of long-term transition will be easier to conquer, as the groundwork has been laid. Your next step is to write a well-defined succession policy. Is your organization usually transparent with employees regarding major decisions? If you think it's in the best interest of the organization to continue that guiding principle during a leadership transition, then it should be written into the policy. Then, follow through by promoting a culture of leader development. Help employees grow into leaders with training, catalyst assignments, networking and membership in professional organizations.

Also, your board can design a program of departure-defined succession planning — an exit plan for a founder or other executives with a term limit of 3 to 5 years. When the organization knows how long each leader will be in charge, they can make the most of those limited years while planning for eventual executive transition. This adds a level of professionalism to a nonprofit, where planned intervals help sustainability, so that the organization is not solely dependent on one charismatic executive. Set down the rules and the plan before they are needed, and they will sustain your organization as you set sail in new directions throughout the years.

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