



**HELP
WANTED**

**Turnover and Vacancy
in Nonprofits**

A San Francisco Bay Area/
Silicon Valley Study

January 2002

CompassPoint
NONPROFIT SERVICES

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**“An organization with
13 positions can expect
one of them to be vacant
at any given time.”**

Executive Summary

The people who work and volunteer for nonprofits are the heart of the sector's contribution to our communities. Yet the scope and characteristics of this substantial workforce are largely unknown and infrequently discussed outside of academic circles. Though staff turnover and position vacancies are perennial problems in all sectors of the economy, nonprofits in the Bay Area face special challenges – working as we do at the epicenter of the new economy's ups and downs, and in one of the most expensive regions of the country.

In the San Francisco Bay Area/Silicon Valley, nonprofits employ 250,049 paid staff.¹ This study quantifies the staff retention challenges of these nonprofits and investigates which nonprofit employees are leaving and where they are going. Data was collected by written survey and telephone interviews with 425 Bay Area nonprofit executive directors as well as four focus groups held in San José and Berkeley, California. The study was informed by CompassPoint's extensive consulting and training practice and our "systems thinking" approach to the nonprofit labor force.

The report proposes that nonprofit managers and boards can benefit from viewing the nonprofit workforce as a constantly changing pool characterized by increasingly fluid borders with business and government. It further suggests that turnover is inevitable in today's economy; while developing effective employee retention strategies is critical, learning to manage position vacancy as a routine state is just as essential. Finally, the report challenges funders and the nonprofit sector as a whole to consider realistic strategies for increasing the size and quality of the nonprofit workforce.

AMONG THE KEY FINDINGS:

► Vacancy rates

8% of the paid staff positions at nonprofits are vacant.

30% of these positions have been vacant for four months or more.

24% of the vacancies are management positions.

► Which employees are leaving and why

A striking 47% of the people leaving nonprofits are non-program staff: administrative assistants, bookkeepers, CFOs, development directors, etc.

Executive directors report that the three most common reasons for staff resignation are: a great job offer elsewhere, dissatisfaction with compensation, and the cost of living in the Bay Area.

► Where exiting employees go

The most common destination of exiting nonprofit employees is other nonprofits; 34% move on to another nonprofit agency.

Moving to the for-profit sector accounts for only 20% of nonprofit turnover.

► How nonprofits are responding to the challenge

40% of nonprofits raised salaries during 2000-2001 beyond standard annual raises

45% increased employee benefits during 2000-2001

26% held on to under-performing staff

22% postponed or canceled programs because they could not secure staffing

¹ Dewees, Sarah and Salamon, Lester M., *California Nonprofit Employment*. Center for Civil Society Studies, The Johns Hopkins University, 2001, p. 11.

“Public servants now move freely across the sectors in search of challenging work, the chance to accomplish something worthwhile, and the opportunity to advance.”

PAUL LIGHT, MAKING
NONPROFITS WORK, PAGE 26

Introduction + Background to the Study

Challenges related to the nonprofit workforce are critical at both the micro level – each nonprofit employer – and the macro level, where the sector must find the 10.9² million individuals that the US nonprofit sector employs.

The difficulty of hiring and retaining the right people is a consistent concern among CompassPoint’s nonprofit clients all around the Bay Area. The concern is manifest in a variety of ways: from the high demand for workshops on the topics of hiring and retaining staff to the frequent calls pleading for the name of a potential development director or bookkeeper, to the increased usage of job listings and search consultants. Without a doubt, the anecdotal sense that there was “nobody to hire” peaked at the height of the inflated dot-com economy of 2000. Still, the challenge persists and appears—at least for the nonprofits of the Bay Area—to be a permanent one.

The combination of the increased concern of our clients and our own challenges as a

nonprofit hiring and retaining staff in a competitive economy, led CompassPoint to convene a board/staff task force on the issue in 2000. This task force spent several months gathering data about the nonprofit workforce and developing recommendations for how CompassPoint—as an employer and as a resource to the sector—should respond. The systems model developed by this task force brought some important distinctions and concepts to the fore.

First, the issue of staff turnover and resulting position vacancies is a complex one, influenced by many factors—some that nonprofit managers can control and many that they cannot. A nonprofit can influence the quality of its work culture for instance, but it cannot change the fact that San Francisco/Silicon Valley is one of the most expensive housing markets in the world. We can increase the supervisory skills of our program managers, but we cannot change the fact that many in the new generation of professionals view being at a job for more than five years as stagnation. As a result, part of addressing turnover is looking broadly enough at the issue to identify where an individual organization may have leverage and where it does not.

² *Facts & Fallacies 2001, California Association of Nonprofits, page 16*

These leverage points—or opportunities to influence the flow of staff in and out of our organizations—can become the focus of an intentional hiring and retention strategy.³

Adding complexity to the issue is the importance of differentiating between turnover and vacancy. No matter how inspirational a mission and work culture a nonprofit has, staff departure is inevitable (because of the aforementioned factors beyond our control), and therefore we must shift some of our attention to *vacancy*. While there are costs to turnover—such as re-training—position vacancy drains resources, exacts opportunity costs, and creates the sense of desperation that occurs when the right person can't be found for a key position. In theory, a good worker being quickly replaced by another good worker (turnover) is not traumatic; it's the 3 or 4 months before that next good worker is found that is so trying for an organization. The need to intentionally and proactively limit and manage the damage of vacancy in our organizations adds to the set of human resource strategies that need to be in place.

A third concern emerging from the systems model was the knee-jerk reaction to all “turnover” as bad for nonprofits and a reflection of poor management. In particular, the sense of competition with the for-profit sector has become very fierce in the anecdotal swapping of hiring horror stories among Bay Area nonprofits. The reaction seems to turn a blind eye to an important workforce trend: the increasing fluidity among the sectors. Many people no longer choose one sector for life, but instead move between the sectors at different phases of their careers. In many cases, nonprofits benefit from this fluidity. For instance, a person with for-profit marketing expertise may join a nonprofit to do a national advocacy campaign, or a successful small business owner may bring her business connections and financial know-how to an executive role with a start-up nonprofit. The notion that an employee “lost to the business world is lost forever” is dated in today's climate.

With our thinking on this topic sufficiently expanded, we took our task force's recommendation to research the issue. CompassPoint engaged a group of people with particular interest and expertise in nonprofit workforce trends as an Advisory Committee⁴ to this project. Together, we established the following research questions:

What are nonprofit vacancy rates?

Are nonprofits worried about turnover and vacancy? Do they think it's more of a problem now than in the past?

Are there tendencies related to who is leaving (management/non-management or program/administrative staff, for example)?

Why are people leaving nonprofit jobs?

Where are those who leave nonprofit jobs going (e.g. for-profit or government positions)?

How are nonprofits responding to the issue of turnover and vacancy?

Our objective with this report was to determine the answers to these questions and to help Bay Area nonprofits consider what has been seen narrowly as “staff turnover” in the broader context of a dynamic *regional nonprofit workforce*. Too often nonprofits think of themselves in isolation rather than as an integral part of a complex economy. In fact, nonprofit employees make up 7% of the nation's workforce—that's 10.9 million people.⁵ And in California, our sector includes 750,000 paid jobs and more than 10 million volunteers.⁶

Our workforce has pressures and leverage points that we as nonprofits need to understand if we are to effectively manage our most valuable resource—people.

³ Special thanks to CompassPoint board member John Kreidler for his leadership in developing a systems model of the nonprofit workforce. Systems thinking provides a helpful new lens through which to look at this issue.

⁴ Please see Acknowledgements for a listing of the Advisory Committee members.

⁵ *Facts & Fallacies 2001*, California Association of Nonprofits, page 16

⁶ *Ibid.*

Methodology

We distributed by U.S. mail 971 surveys to Bay Area executive directors. These executives were culled from our own database of workshop and conference attendees from the last two years.

Each addressee received a cover letter explaining the study, a three-page survey and a return envelope. We received 328 (34%) completed surveys by mail. Volunteers from the Executive Service Corp of San Francisco conducted the survey by phone with an additional 97 EDs, bringing the total sample to 425. This represents a total response rate of 44%.

We also engaged executives in focus groups on the topic.⁶ The researchers developed the focus group protocol and facilitated the discussions. Excerpts from these taped focus groups are used without attribution throughout the report. Our thanks to the organizations listed here for their participation. Data were collected in March and April, 2001. The survey data were analyzed by CompassPoint using SPSS statistical software.

It is important to note that the 425 respondents to our survey are executive directors. There are certain lines of inquiry, such as the motivations for staff departures, where there is inherent bias and/or a lack of access to first-hand information that may influence their responses. If the primary focus of this study was the reasons that staff leave nonprofits, a different research sample would have been engaged.

The survey instrument is Appendix B.

AROS
Berkeley Youth Alternatives
Billy DeFrank Lesbian/Gay Center
Center for Independent Living
CitiCentre Dance
Community Services of Mountain View
East Bay Asian Youth
East Meets West Foundation
Habitat for Humanity
Jewish Community Services Jobs Consortium
Lincoln Childcare Centers
OASES
Ombudsman, Inc.
Pacific Center for Human Growth
Role Model Program
Salvation Army
Sports 4 Kids
Council on Aging
Social Advocates for Youth
Support Network for Battered Women
Unity Care
Urban Ecology
Xanthos

In reviewing findings on a topic such as workforce trends, valid questions to consider include: When were the data collected? Can I assume that they are still indicative of the situation today? The data for this report were collected in March and April of 2001. We are confident that these data are relevant today. First, we experienced the real extremes of the high tech economy in 1999 and 2000; most economists are now locating the “crash” in January and February of 2001—prior to this study. Second, the 425 respondents to this study told us overwhelmingly that this is not a new problem, nor one of a different scope; indeed they have been dealing with the challenges of hiring and retaining staff for several years or more. Third, the vacancy rates that we found are not especially high (8% overall). What may change as the economy slows is the length of position vacancies; with greater supply, nonprofits may find that they can replace exiting employees more quickly than they could earlier in 2001. Finally, the notion that there was or will be again a “normal time” in the economy just does not ring true. Now more than ever, nonprofits need to be informed and intentional in planning their workforce strategies.

⁷ These focus groups served two studies, this one and *Daring to Lead: Nonprofit Executive Directors and Their Work Experience*. Participants answered questions on both topics.

Findings

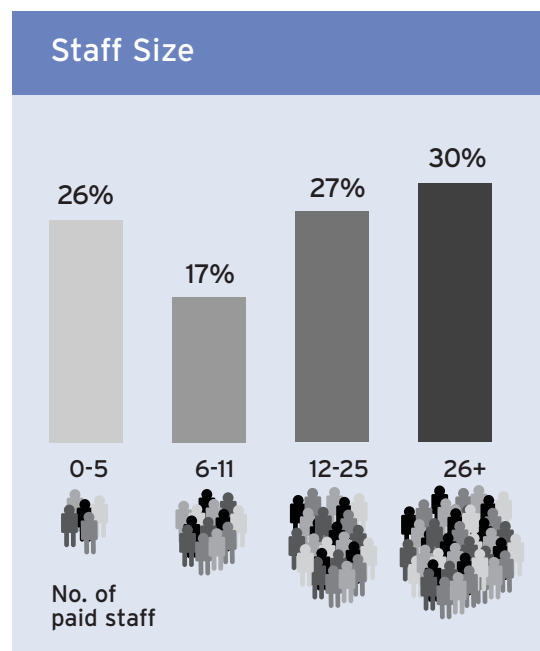
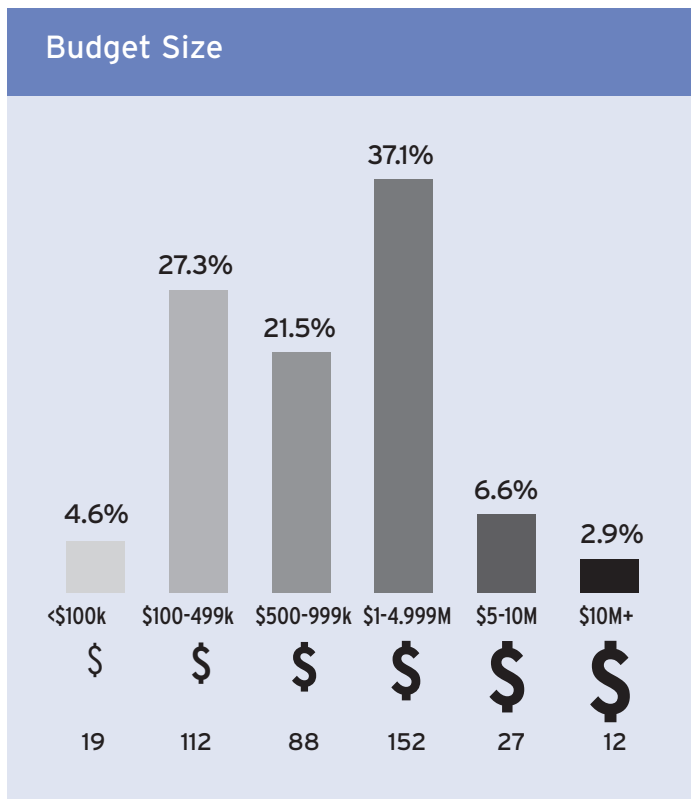
A. Characteristics of the sample

The 425 survey respondents reflect the wide variety of nonprofits in the Bay Area. As the sample was culled from CompassPoint's database of workshop and conference participants, it does not include a proportionate number of the very small or all volunteer organizations that exist; that group would not have been an appropriate one to question about paid staff turnover. Indeed, compared with statewide IRS Form 990 data, our sample is over-representative of the larger

Bay Area nonprofits. Nonetheless, more than 25% of our respondents ran nonprofits with five or fewer paid staff.

Respondent organizations had a mean, or average budget of \$1,971,182. The 5% trimmed mean⁸ was \$1,390,932, and the median, or middle budget size was \$890,000.

A broad spectrum of agency missions is included in the sample, with human services, health and disease prevention, and education the most frequently represented. These three categories make up more than 50% of the sample.



⁸ A 5% trimmed mean excludes the lowest and highest 5% of scores (outliers) to approximate a more accurate measure of central tendency.

Although staff turnover is most often discussed as a human resources issue, it is widely recognized that most nonprofits do not have the staff size to warrant—or the financial resources to afford—a dedicated human resources manager. Most nonprofits subsume the function of human resources management—which may often refer to administrative tasks such as payroll and benefits—in another administrative position in the agency. We can deduce that in the

“Remarkably, among the entire population of 425 nonprofits represented, just 57, or 13% have a management position dedicated to human resources.”

Agency Mission		
	#	
Advocacy	25	6%
Animal-related	23	6%
Arts/culture	33	8%
Childcare	19	5%
Community/ economic development	42	10%
Education	53	13%
Environmental	28	7%
Health/disease prevention	61	15%
Human/social services	112	27%
International	9	2%
Legal services	7	2%
Philanthropy	1	>1%
Religious	6	1%
<i>Total</i>	419	100%

to human resources. This suggests that an executive director, program managers, a general administrator, or some combination thereof will lead any intentional strategy to improve hiring and retention at most nonprofits. In many small and mid-sized nonprofits, an executive director will have to focus the organization on the issue and lead a discussion of how to respond.

HR Administration		
	#	
Executive Director	198	47%
Admin Director/ Manager	110	26%
HR Manager/Director	57	13%
Admin Assistant	40	9%
Other	15	4%
HR Assistant	5	1%
<i>Total</i>	425	100%

majority of nonprofits, the responsibility for identifying ways to increase staff retention or manage position vacancies is diffused among the management team and program supervisors.

We asked respondents the title of the person other than the executive director, if any, with responsibility for human resource administration. A significant 47% of the respondents had no position other than the executive director with these responsibilities.

Remarkably, among the entire population of 425 nonprofits represented, just 57, or 13%, have a management position dedicated

B. Vacancy and Turnover Rates

The “turnover rate” is the percentage of staff that leaves within a year’s time (for example, an organization with 10 staff that had 4 departures last year would have had a 40% turnover rate that year). In focus groups, executive directors seemed to implicitly feel that the ideal turnover rate would be 0%, and did not articulate different expected tenure times for different sorts of positions. In fact, larger organizations (both nonprofit and for-profit) commonly identify certain

positions as having a normal turnover rate of 60% per year, while other positions may have a turnover rate of 15% per year.

There are important costs related to turnover; these include the easily identified costs such as advertising and time spent interviewing, as well as the more hidden costs of training new staff and decreased efficiency as a new individual becomes familiar with the job and the organization.

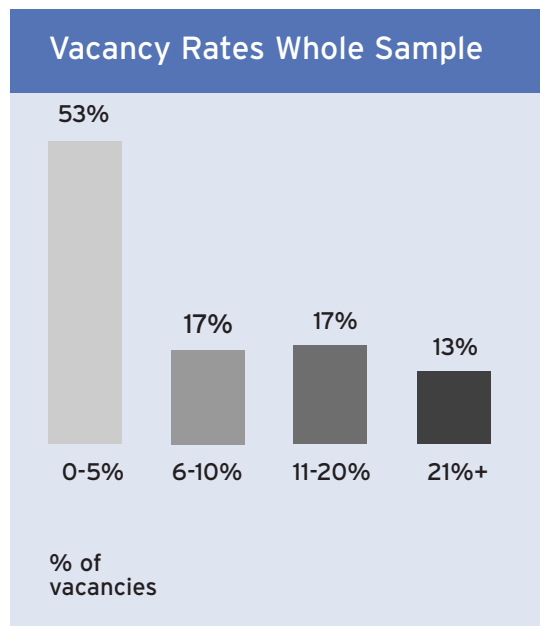
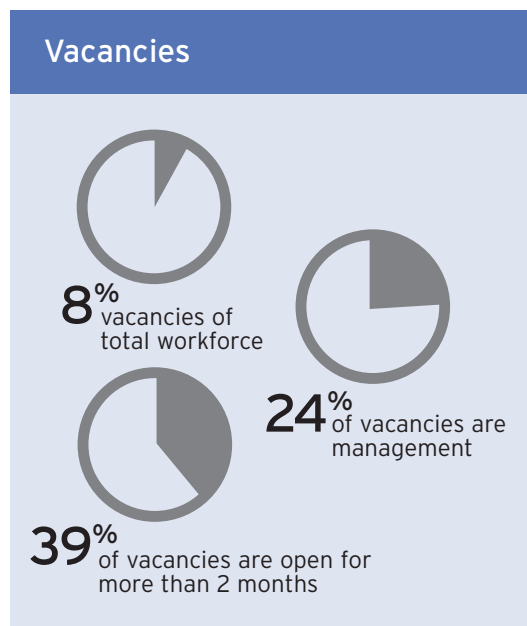
Because a staff departure in one position can have a dramatically different impact than in another position, the turnover rate doesn't tell the whole story about management practices, the size of the available labor force, or about the associated costs. Further, the impact on an organization of, for example, the departure of a development director, is quite different if that position is filled quickly than if the position remains open for several months. As a result, rather than focusing on turnover rates, this study focused its inquiry on vacant positions and vacancy rates. These included both positions that had been vacated and newly created positions that should be filled but were not at the time of the survey. The researchers compared the number of paid staff positions to the number of vacant positions to determine the current vacancy rate at each organization.

The 425 nonprofit agencies represented had a total of 13,601 paid staff positions, both full and part-time. Respondents reported that 1,053 of these positions were vacant, or 8% of the workforce.⁹ Twenty-four percent (24%) of the vacancies were in management positions. Of particular concern in terms of the impact on existing staff and resources, 39% of these open positions had been vacant for more than two months. Thirty percent (30%) of the vacant positions had been vacant for more than 4 months.¹⁰

Still, a majority of agencies (53%) had vacancy rates of 5% or less. Among the total sample, 30% had vacancy rates of more than 10%.

Vacancy *percentages* are of course impacted by the size of the denominator, or the size of the paid staff. Half of the smallest agencies had vacancy percentages of 21% or more, while just 12% of the largest agencies' were this high. And the impact of vacancy is clearly different depending on the size of the agency: being without two staff in a five-person agency is quite different than being without two staff in a 100-person agency.

For the majority of nonprofits, these vacancy rates are a serious concern, but not more of a concern in 2001 than they were last year. In other words, in the Bay Area, the challenge of hiring is not new.



⁹ This is in line with findings of The Management Center's annual *Northern California Wage and Benefit Survey*, which identified an 8.5% vacancy rate for full-time positions at Bay Area nonprofits.

¹⁰ This 30% is included in the 39% of positions that have been vacant for more than 2 months.

We asked respondents how much of an impact staff turnover and position vacancy had on their organizations' ability to run effectively. Sixty-four percent (64%) said that it had a high or very high impact. One important reason for the impact on nonprofits is the lack of excess capacity or redundancy in resource-scarce organizations. This perception of the impact did not vary significantly by agency mission or budget size.

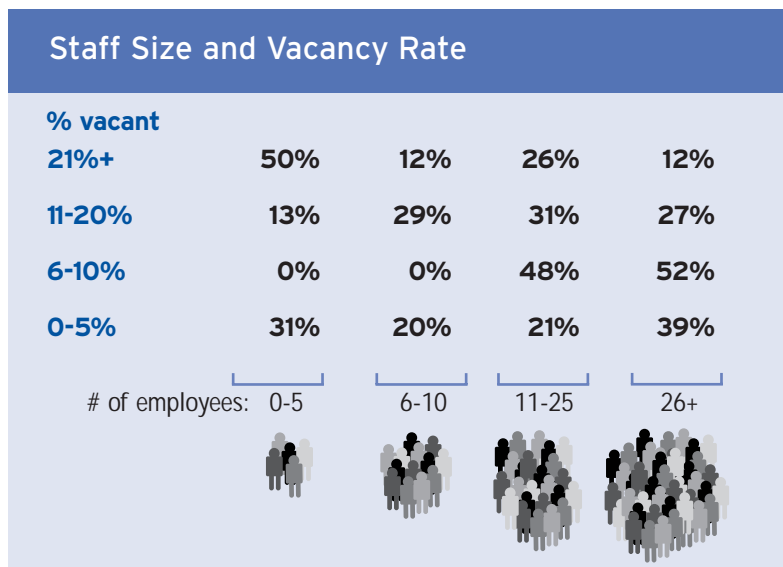
These findings contradict the notion that having vacant positions is a temporary and unusual situation. Instead, these findings point to a different norm: one where 8% of positions vacant is both a permanent and a usual situation. The implications for management are far-reaching, and demand an adjustment in thinking as well as in practices.

“When I came onto this job I immediately realized that four of the five management team people were incompetent. The board had as much as told me this when they recruited me, and they had encouraged me not to hesitate in getting rid of them. But then I realized that if I fire someone, the most likely thing to happen is that I won’t be able to hire anyone to replace them! So I’m stuck with sub-par managers until the labor market loosens up.”

FOCUS GROUP PARTICIPANT

Impact of Staff Turnover/Vacancy

	#	
No Impact at all	36	9%
Low impact	33	8%
Some impact	75	19%
High impact	122	31%
Very High impact	128	33%
<i>Total</i>	394	100%



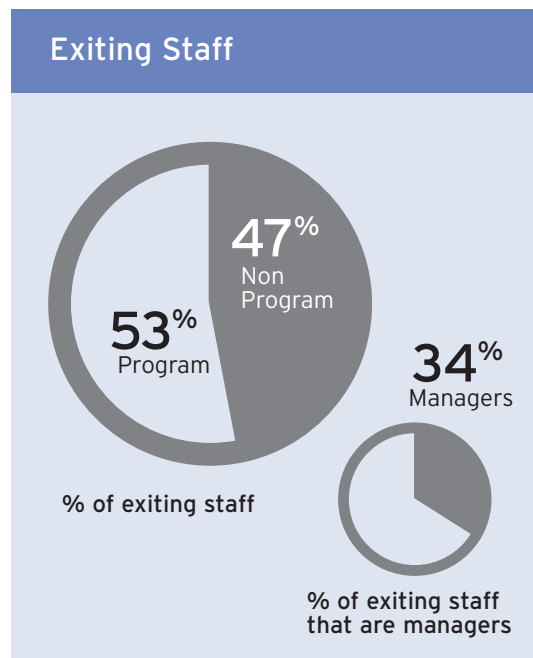
C. Which employees are leaving and why?

In order to get a snapshot of which employees are leaving nonprofits and why, we asked the executive directors to describe the last person to leave their agencies. The rationale was that the specific characteristics of this latest cohort of nonprofit staff to leave was more reliable than a general inquiry in to what executives perceive to be the key issues. We asked whether these exiting employees were administrative or program staff, managers or non-managers, and what executives believed to be their primary motivations for leaving.

Non-program staff appear to be over-represented among the recent cohort of resignations. Forty-seven percent (47%) of the exiting staff were not program staff. With the vast majority of nonprofits operating with administrative or "indirect" rates of 10-20%, these numbers reflect a definite imbalance in the exiting population. Further, these are the costs that most nonprofits are anxious to keep down which means that nonprofits are experiencing nearly half of their turnover among their most understaffed functions. It makes sense that the people with finance, marketing and technology skills are especially welcome in the for-profit sector because of their transferable skills. Moreover, at peaks in

the economy, administrative support positions can pay very well in the business sector as well. On the other hand, a person with a Masters degree in social work who specializes in working with disadvantaged youth is less likely to be courted by business—though he/she may make the move to government for an increase in salary or responsibility.

Respondents reported that money—in the form of our local cost of living or dissatisfaction with wages—was a major reason for leaving. Having a "great job offer" was also a frequently reported reason; a great job offer can presumably represent professional development and/or more money. There were also a variety of personal reasons noted, including returning to



Work Area of Exiting Staff		
	#	
Program	205	53%
Administration	127	33%
Development	31	8%
Finance	16	4%
Technology	7	2%
<i>Total</i>	386	100%

Reasons for Leaving		
	#	
Cost of living	123	29%
Unhappy with salary/wages	123	29%
Great job offer	143	34%
Burnout	81	19%
Conflict with supervisor/coworkers	56	13%
Outgrew the position	66	16%
Changed professions/fields	43	10%
Went back to school	51	12%
Retired	12	3%
Moved out of area	63	15%
Other personal reasons	103	24%
Unknown	3	1%

school and moving—the latter of which may also reflect the cost of living here in some cases. Respondents could choose more than one factor in answering this question but were limited to major factors only.

This list of factors influencing turnover highlights the varying degrees of control that nonprofit managers have over employee retention. Obviously the cost of housing, childcare, and food/entertainment in the Bay Area are beyond the control of nonprofit employers. These high costs may force nonprofit staff to move to higher paid positions even if they are very personally satisfied with their current agencies.

A more complex question is how readily nonprofits can raise salaries to be competitive. Rather than being homogeneous in their ability to respond, nonprofits vary widely in their funding streams, extent of unrestricted reserves, and board/management philosophies about nonprofit wages. Many human service organizations that rely on government contracts, for instance, feel hamstrung by flat, or below inflation contracts; others argue that they should increase their private fundraising to stay ahead of the curve. On the other hand, there are nonprofits with the flexibility in funding and/or “new economy” mindset that are using higher salaries and corporate strategies such as performance bonuses to attract and retain staff. Moreover, nonprofits vary in how they are impacted by changes in the economy; some fewer, some are more successful in fundraising and many less so. Most nonprofits are somewhere in the middle of all of this, unable to compete with high-tech salaries in any economy, but stretching compensation budgets to sustain a quality staff.

Because nonprofits are disproportionately struggling to retain administrative, finance, and development staff, there have been a number of incidents lately of agencies stretching much farther than they expected to to get the development director or CFO that they need. CompassPoint knows of several instances where these senior development and finance candidates have ultimately secured higher salaries than the executive directors hiring them.

“The reason one of our long-term managers left was that he wanted to retire and our retirement package wasn’t anywhere near where the county government’s was.”

FOCUS GROUP PARTICIPANT

Beyond money, staff “burnout” and interest in outside “great job offers” may reflect shortcomings in the nonprofit work culture that can and should be addressed by management. Certainly there are nonprofits that function mostly in crisis mode without making time for employee development. Some groups don’t have leaders with either the instincts or professional skills in managing people—the stereotypical manager that’s a content expert with few interpersonal skills. But on the other hand, “burnout” is neither totally preventable nor an entirely bad thing—some nonprofits are doing work that most people cannot and should not do for more than a few years at a time. Sometimes burning out is better than staying on. Again, the catchall idea of “burnout” may be less of a controllable factor—or leverage point—in some organizations than in others, it depends on the work.

Where do exiting staff go?		
	#	
Another nonprofit	110	32%
A for-profit business	68	20%
A government agency	48	14%
Other"	48	14%
School	42	12%
Consulting/ self-employment	23	7%
<i>Total</i>	339	100%

" "Other" included a variety of reasons that people were not working at all, including pregnancy and parenting.

“The larger purpose and vision is that if we train people, they’ll go into another nonprofit agency and that is worth something for other nonprofits, it’s helping the larger goal. Where it is disappointing is when they leave the nonprofit sector for the for-profit sector after we’ve invested those resources in them.”

FOCUS GROUP
PARTICIPANT

“I have had to make unilateral decisions to increase people’s salaries at the management levels because I didn’t want to lose them. But on lower levels, I never wanted to get into a bidding war because I knew we were going to invest a lot of resources to train them.”

FOCUS GROUP
PARTICIPANT

Interestingly, the most frequent destination for these exiting employees was other nonprofits. Still, at 32%, it’s far from a majority. Three hundred and thirty-nine of the 425 respondents knew where their last exiting employee went next.¹²

These data suggest that though nonprofits may anecdotally blame competition with high-tech and other business industries for nonprofit staff turnover, in fact just a fifth of staff turnover can be explained this way. The other two sectors—business and government—were the destination of just over a third (34%) of exiting nonprofit employees. In fact the biggest single competitor for nonprofit employees is other nonprofits. In this

regard, we are no different than for-profit businesses, who are just as challenged to hire and retain talented employees. Wharton professor and management author, Peter Capelli says it plainly: “To adopt the new strategy [for employee retention], you first have to accept the new reality: the market, not your company, will ultimately determine the movement of your employees.”¹³ While this may sound discouraging, what it suggests is that we have to be more thoughtful about the specific skills and people that are essential to our work and proactively recruit and retain them as opposed to lamenting “turnover” in general terms.

¹² Forty-five respondents gave no answer to the question; an additional 41 respondents indicated that they did not know the destination.

¹³ *A Market-driven Approach to Retaining Talent*, Peter Capelli. *Harvard Business Review*, Jan-Feb, 2000, page 104.

How are nonprofits responding?

As demonstrated, a significant majority of nonprofits consider this issue to be a serious hindrance to the effective accomplishment of their work.

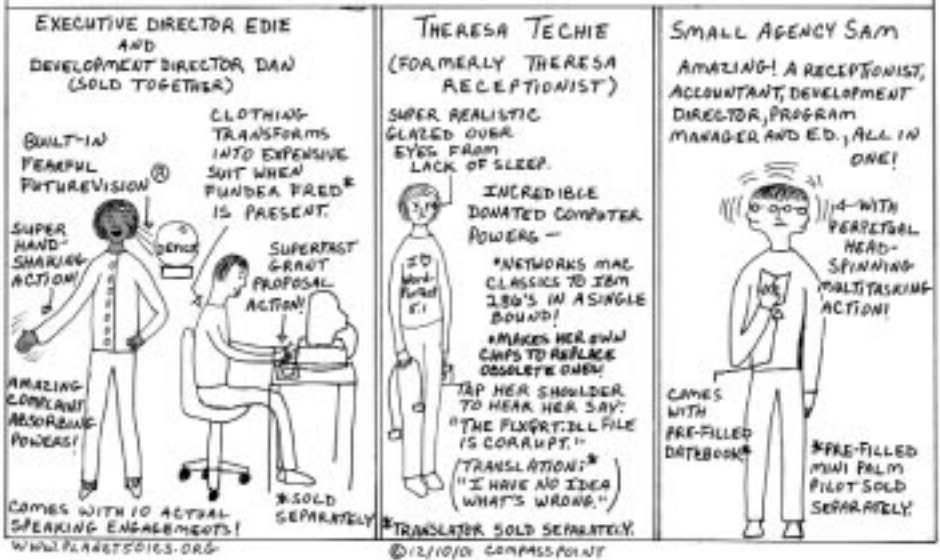
So how are they responding? Given that executive directors believe compensation is a key factor in staff turnover and vacancy, it's not surprising that their most frequent response in the last year has been to increase compensation. Sometimes they have done this for certain hard-to-fill positions, and sometimes they have done it across the board. In particular, many nonprofits emphasize employee benefits; numerous focus group participants mentioned benefits as a key leverage point. Ninety-five percent (95%) of survey respondents had made at least one of the responses we posed during the 12 months prior to being surveyed.

Of course many of these strategies for limiting staff turnover require resources—both time and money. So it is not surprising that smaller agencies were significantly less likely¹⁴ than larger ones to have made some of the responses. For instance, 40% of agencies with budgets of \$100,000 to

Nonprofit Responses		
	#	
Raised salaries across the board beyond standard raises	193	46%
Increased resources for staff development	194	46%
Enhanced employee benefits	191	45%
Raised salaries certain positions beyond standard raises	174	41%
Emphasized agency culture	165	39%
Supervision training for managers	126	30%
Held on to substandard staff	108	26%
Postponed/cancelled programming	94	22%
Used a professional search firm/consultant	41	10%
Used none of the above strategies	20	5%

¹⁴ In cross-tabulation of agency budget size and these responses, chi-square scores were .05 or less.

BUYING GIFTS FOR THE HOLIDAYS? CONSIDER... **NONPROFIT ACTION FIGURES**



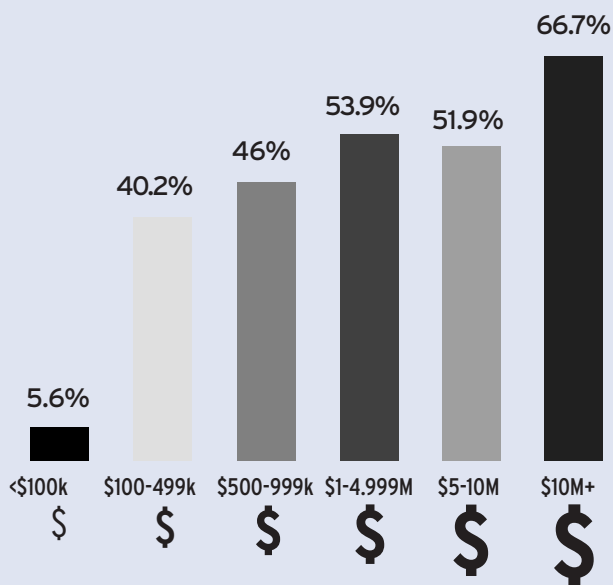
dollars had spent resources on training for supervisors in the past year, compared with more than half of agencies over \$5 million. And groups under \$500,000 were much less likely to focus on agency culture than their larger budget counterparts.

The extent to which Bay Area nonprofit programming and management are affected by staff turnover and position vacancy is sobering. One less-obvious example of this is

\$499,999 had raised salaries across the board (beyond standard annual raises) within the 12 months prior to the survey; whereas, 52% of \$5-10 million agencies and 67% of \$10 million and larger agencies had used this strategy. Similarly, about a quarter of agencies with budgets under \$5 million

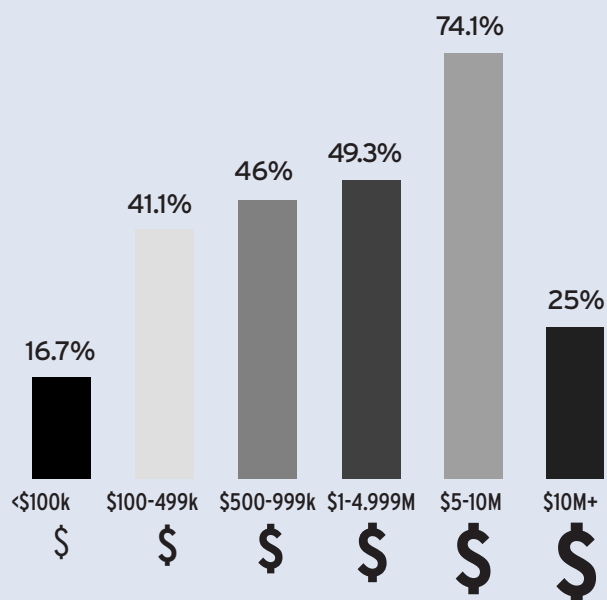
holding on to staff that are under-performing because agencies are afraid that they won't be able to find a replacement (somebody is better than nobody). A quarter of nonprofits felt compelled to use this strategy over the past year. In the worse case scenario, this is limiting the effectiveness of

Across the Board Raises/Budget Size



Budget Size

Enhanced Benefit/Budget Size



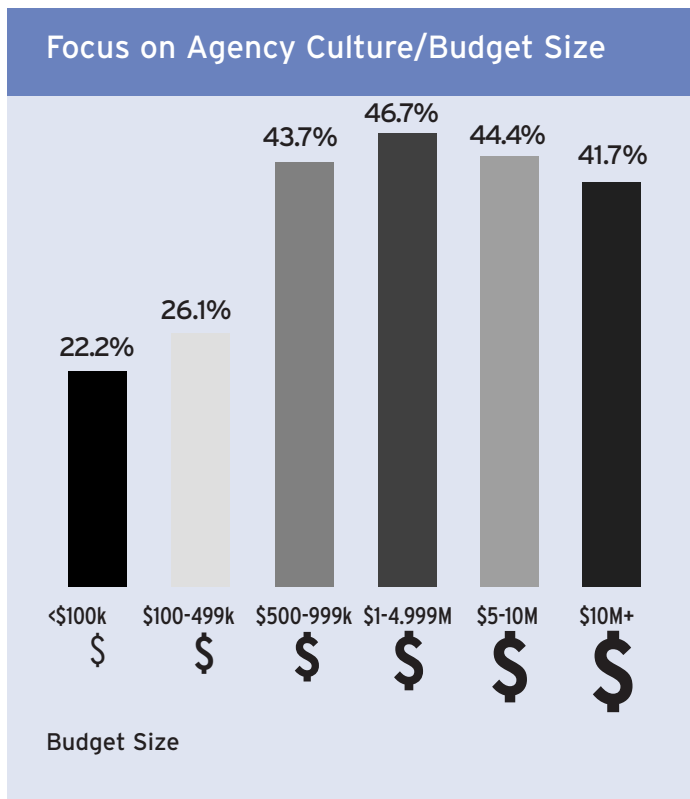
Budget Size

work done directly with clients. In any case, it contributes to the burnout of stronger staff who have to pick up the slack for the under-performers. It also undermines a culture of valuing excellence and professional accountability that many executives are trying to foster. Finally, it puts organizations at a disadvantage when they are ready to let an under-performer go; that employee now can point to a long period when his or her work performance was tolerated.

An even more directly negative impact for clients and the community is that nearly a quarter of nonprofits postponed or cancelled programs entirely over the past year because they could not hire or retain the staff to run them. This relatively invisible effect of the hiring and retention challenge begs the question of what more nonprofits would be doing for our communities if they were fully and optimally staffed.

“I think it’s harder to recruit. I know that not only for my agency, but from a lot of other folks I have talked to. People have really increased things like benefit packages and vacation time and those sorts of things. The benefits are what retain employees in a greater sense than they used to.”

FOCUS GROUP PARTICIPANT



Calls to Action

Based on this research, along with knowledge gained from our consulting and training practice, we have developed calls to action for three groups: nonprofit boards of directors, nonprofit managers and executives, and funders and technical assistance providers.

► RECOMMENDATIONS FOR NONPROFIT BOARDS OF DIRECTORS

Be realistic about the nonprofit workforce.

This study shows a fluidity among the nonprofit, business, and government sectors that may be a surprise to many board members of nonprofit organizations, and even to some executive directors. Organizations can be hurt by outdated assumptions, such as one that compensation need not be competitive or that career paths and ambition need not be articulated or discussed in nonprofits. Poor planning and budgeting may result, leading to increased turnover and vacancies.

► Initiate a discussion with the executive director and senior staff about managing turnover and vacancy.

Executive directors are often reluctant to bring these issues to the board as they may feel that such concerns are a reflection of poor management. By breaking the ice on these topics, the board can initiate an openness to problems and solutions that staff is likely to welcome.

One suggestion for opening this discussion is to have an open-ended conversation at a board meeting, using the following questions to kick it off:

How is our organization experiencing turnover and vacancy?

What are some of the reasons people are leaving?

Are there ways we could think about managing vacancy?

What are some of the factors out of our control (such as cost of housing) that are affecting nonprofit staffing in our area? What are some of the factors over which we have some control (such as compensation) that are affecting nonprofit staffing in our area?

How are we managing vacancy? Minimizing turnover? What modest efforts might we consider in addressing factors over which we have some control?

► Actively monitor executive job satisfaction. The executive director is an employee too.

Although this report focuses on staff *other than* the executive director, executives are affected by the same issues described here: compensation, organizational culture, attractive job offers, and the cost of living in the Bay Area. CompassPoint's recent report, *Daring to Lead: Nonprofit Executives and Their Work Experience*¹⁵ highlighted the influence that boards have on executive retention. Executive directors rated "personal support from the board" and "mission advocacy by the board" as two areas where boards are most effective in supporting executives. Many organizations can benefit from more board attention to effective hiring, coaching and performance evaluation of the executive director.

¹⁵ *Daring to Lead: Nonprofit Executive Directors and Their Work Experience*, by Jeanne Peters, Timothy Wolfred, et. al., 2001. Order hardcopies or download free pdf file at www.compasspoint.org.

RECOMMENDATIONS FOR NONPROFIT EXECUTIVES AND MANAGERS

► **Face it, people leave even the best organizations.**

The reactions of nonprofit managers to the departures of valued staff can run from one extreme to another. Some may see it as reason to despair at ever competing with better-paying companies, while others may see every departure as evidence of poor management.

Instead of either extreme, managers should realize that departures take place for a wide variety of reasons, many of them complex and intertwined. While managers must make efforts to have competitive salaries and a supportive work environment, they must also help remaining staff see each departure as reflecting on the organization in a different way.

For some individuals, a departure is a reason to celebrate what the organization has done: an individual may have grown professionally in the job and it's time for her/him to move on to new challenges which they could not have taken without the experience gained at their organization. In another case, the departure is a reflection of strong supervision: helping manage an individual with poor skills or a poor fit out of the organization to a more suitable job elsewhere.

Larger organizations can benefit from conducting regular exit interviews with departing employees, in particular identifying where the individual is going and the one or two main reasons for the departure. An HR manager in one large Silicon Valley technology corporation told us that they make a "best guess" about the reasons for voluntary departure, and categorize the reasons roughly as follows: dissatisfaction with the immediate supervisor, dissatisfaction with matters related to the work process (example: the speed at which tasks need to be completed), dissatisfaction with working conditions (examples: shift hours, travel), and "other" matters beyond the company (cost of housing). Such information gathered over time can help inform management and the board about priorities for organizational change and for community advocacy.

"It is futile to hope that by tinkering with compensation programs, career paths, training efforts, and the like, any company can insulate itself from today's freewheeling labor market."

PETER CAPELLI.
HARVARD BUSINESS REVIEW,
PAGE 104

► **Implement strategies within your organization that improve its ability to attract employees and to retain them/minimize turnover.**

While some degree of turnover is natural, a strategic effort to retain employees—especially those who are integral to the success of your organization—is also essential. There is an abundance of literature on retention strategies for both the for-profit and the nonprofit sectors; below is a recap of some of the factors to which managerial attention can be fruitfully drawn.

Salaries and benefits

This study shows that most nonprofit staff leave for another nonprofit, suggesting that achieving salary competitiveness with other nonprofits may improve retention. To the extent possible, salary competitiveness with similar jobs in the government and for-profit sectors will also contribute to retention.

Retirement benefits

Other studies have shown that the benefit correlating most highly with executive director retention (and suggesting the same would be true for other senior staff), is a retirement plan.¹⁶

Organizational culture

Many dissatisfactions with work can be traced to the important but intangible organizational culture. Aspects of organizational culture include satisfaction with how conflict is treated, expectations of

¹⁶ Neighborhood Reinvestment Corporation, report by Tom Adams, 1998.

“I realized that if I left, our funders wouldn’t know anyone else in our organization. So I started introducing other staff to our funders and helping them get to know each other. It’s time consuming, especially having to prepare program people for talking to funders. But that way the funders might feel more of a connection with our organization, not just with me.”

FOCUS GROUP
PARTICIPANT

employee time commitment, formal and informal hierarchies, and multicultural awareness and support.¹⁷ More tangible components of organizational culture can include the location and quality of work space, degree of building and employee security, and availability of appropriate supplies, equipment and technology. An awareness of culture is a start to influencing it in directions that help retain staff and keep them productive.

Job Definition and Selection/Hiring

An important first step in improving retention is in defining a job that can be done successfully by a person with the background, skills, and compensation needs associated with the position. Taking the time to do a thorough job in selecting an employee can prevent the wasted time and effort of dealing with employee-job mismatches that eventually lead to termination or resignation.

Professional Development

Other studies report that with a workforce that expects to change jobs several times over a career, employees value skills development in a job package. In addi-

tion to training programs, coaching and mentoring support from supervisors and non-supervisors can be implemented with varying degrees of structure and formality in an organization.

Performance Management

Employee performance evaluation and goal-setting can be important ways not only to improve performance, but also to increase employee buy-in and commitment to the organization’s goals.

► Plan for departures, hires and vacant positions as constants, rather than as unusual, temporary matters.

The snapshot captured by this study is a nonprofit vacancy rate of 8%. Restated, this means that an organization with 13 positions can expect one of them to be vacant at any given time. An organization of 50 staff can expect to have 4 vacant positions at any given time. As a result, departures, hiring and new staff orientation become regular, ongoing efforts that demand planning and ongoing activity.

► Implement strategies to minimize the negative impact of vacancies.

Vacancies make work harder for the other staff: in most cases some or all of the work still has to get done, and there are the additional tasks of interviewing, hiring, and training new staff. “Muddling through” is the usual strategy, but with some thought, organizations often find ways of mitigating the frustrations of remaining staff and maintaining service quality to clients and patrons. Ideas include:

Using temporary workers where appropriate

Using temporary workers to do some of the work of the staff person picking up the work for the vacancy

Identifying specific internal projects that can be delayed

Providing modest temporary salary increases or hours increases for staff taking on extra responsibilities

Budgeting for vacancies (*see below*)

¹⁷ *A House Divided: How Nonprofits Experience Union Drives*, a 1998 study by CompassPoint, found that dissatisfaction with decision-making processes and with human resource management were more frequently identified as motivations for supporting union drives than were wages & benefits.

RECOMMENDATIONS FOR FUNDERS & TECHNICAL ASSISTANCE PROVIDERS

When everyone thinks of vacancies as a fact of life (rather than a disaster), staff can find ways to be more comfortable and flexible with them.

► **Budget for turnover and vacancy.**

Since vacancy is nearly a constant, especially in mid-sized and larger nonprofits, it must be addressed in program and organization-wide budgeting. Budgeting for vacancies will need to take into account both possible savings from interruptions in paid staff service, as well as additional costs in temporary help, hiring costs, and overtime. Program managers should acquire the ability to shift human resource costs among part-time and full-time staff and among temps and contract workers as necessary.

Organization-wide, the budget must account for administrative staff time used in processing departures and hires, for new staff orientations, for time spent on advertising, screening, and hiring, and for exit interviews with departing staff. Seeing vacancies as unusual leads managers to try to absorb the costs of these activities; seeing vacancies as a normal state can lead managers to articulate—and ask funders for—the costs involved.

► **Initiate succession planning.**

In a nonprofit context, succession planning means making sure that each job is “doable,” a job that can be re-filled without needing to hire a superhuman. Other important elements of succession planning are: managing knowledge so that it stays with the organization when individuals leave, institutionalizing contacts so that relationships can stay with the organization when individuals leave, and documenting procedures and policies where reasonable to do so.

► **Expect turnover and/or vacancies in the midst of funded programs and/or activities.**

Funders can expect that the nonprofit programs they support will experience vacancy. A variety of impacts are possible: projected outcomes may not be met in the original timeline; programs may have to be adjusted mid-stream to respond to new skills or the loss of skills on staff; disruptions to clients and patrons may occur, and in some cases, there may be an inability to continue the program. Rather than treat such events as problems that management must solve, it will be more productive and welcome to open a discussion about turnover and vacancy and appropriate budgeting and scheduling for each program or project.

The impact of turnover and vacancies on nonprofit activities was illustrated in a recent study on collaborations by the Center for AIDS Prevention Studies. This study showed that one of the most difficult and common problems with collaboration is turnover among the staff involved.¹⁸

► **Expect and encourage realistic employee salaries.**

As funders begin to question unrealistically low salaries, nonprofit managers feel more comfortable asking for the salaries that will allow them more leverage in retaining staff. Those funders—both public and private—that react favorably to nonprofits providing the necessary salaries to ensure quality programs and management are playing an important technical assistance role.

Discuss with important nonprofit partners whether salaries need to be raised in their organizations, and what kinds of grants or activities can help build their capacity through more competitive compensation.

¹⁸ *Working Together: A Guide to Collaborative Research in HIV Prevention*, by the Center for AIDS Prevention Studies, 2001.

- ▶ **Offer creative technical assistance to nonprofits experiencing vacancy and working to reduce turnover.**

Technical assistance providers can help nonprofits with turnover and vacancy first by helping them identify and address them as separate issues. In addition, TA providers may consider initiating or strengthening programs that support organizations in such situations: programs providing interim staff, developing custom, organization-wide professional development plans for nonprofits, workshops and clinics on succession planning and career path development, training volunteers to serve as temporary staff, etc.

- ▶ **Ensure that your own hiring practices demonstrate a belief in the value of nonprofit experience**

for grantmaking, technical assistance, and other positions in intermediaries. When individuals without significant nonprofit experience are hired as grantmakers, or start well-funded intermediary organizations, the implicit message about the value of nonprofit staff overshadows the explicit message about the value of nonprofit leadership.

Examine the differences in salaries and compensation between the staff of funders and intermediaries on one hand, and that of nonprofit managers and line staff on the other. Too great a differential provides an irresistible pull for talented nonprofit managers to leave direct service; less striking differences may encourage them to stay on their jobs.

“Examine the differences in salaries and compensation between the staff of funders and intermediaries on one hand, and that of nonprofit managers and line staff on the other. Too great a differential provides an irresistible pull for talented nonprofit managers to leave direct service; less striking differences may encourage them to stay on their jobs.”

- ▶ **Initiate and support programs that tackle the issue of the nonprofit workforce as a large, systems issue.**

Beyond the borders of any one organization or any one city, the development of the nonprofit workforce needs the strategic attention of the funding and technical assistance communities. On even a micro level, a single foundation that makes grants to 50 nonprofits is likely to be supporting 600 or more nonprofit employees. As has often been acknowledged, nonprofit success relies on the people who work and volunteer in them. This important resource needs attention at the organization level, but also at the systems level:

Support college and university programs and scholarship programs that help attract students to nonprofit careers, and train and prepare them for lifetimes of nonprofit work. Some areas are relatively easy to identify: the relatively few doctors from communities of color, for instance, or the scarcity of finance professionals familiar with nonprofits.¹⁹ The accounting profession, for example, tracks

¹⁹ It is believed that there are fewer than five MSWs in California who speak Hmong (Alan Shinn, formerly of Asian Community Mental Health Services).

the number of undergraduates and degrees awarded in accounting, and takes steps system-wide to ensure a steady supply of qualified accountants. For nonprofits, scholarships, funded nonprofit career recruitment centers, campus job fairs, and useful materials for counselors and placement offices are areas where an overall effort can help all nonprofits.

Fund scholarships and degree education for under-educated nonprofit staff. Many nonprofits, such as those serving low income youth and families, are committed to hiring individuals from their client communities, but disheartened by the lack of formal education in those same individuals. Certain programs—such as one at Merritt College in Oakland or the Springfield College program in San Diego—bring undergraduate education and degrees suited to these populations—giving them not only the skills to do their nonprofit jobs better, but to foster their lifetime financial independence.

Support and demand continuing education and professional development for all levels of nonprofit staff. Nonprofits often don't have the funds to send, for example, their bookkeepers to community college accounting courses, or their technology staff to advanced network administration classes, their program directors to budgeting classes, or their administrative assistants to computer classes. Such funding is an investment in the nonprofit workforce—an investment with returns at the individual, organization, and sector levels.

Consider developing and/or funding infrastructure programs that increase the efficiency of the nonprofit labor market. These might include: job fairs where nonprofits can recruit on campuses, nonprofit job newsletters (such as *Opportunity NOCS*), negotiated discounts for nonprofit employment ads at local newspapers (such as one at the San José Mercury News), local employ-

“Many nonprofits, such as those serving low income youth and families, are committed to hiring individuals from their client communities, but disheartened by the lack of formal education in those same individuals.”

ment listservs, ongoing programs about nonprofit careers at job training and career development organizations, and group informational interviews.

Support research that leads to better understanding of the nonprofit workforce at the individual, organization, field, and sector levels, and identifies which activities and interventions can best support that workforce.

Concluding comments

The challenge of finding dedicated and qualified staff is neither new nor unique to the nonprofit sector. In fact, our challenges as nonprofits are correctly viewed in the broad context of what is going on in the economy generally—a changing and unpredictable force to be sure.

At CompassPoint Nonprofit Services, we have found the notion of the nonprofit workforce as a system to be a useful construct. The characteristics of a system challenge more traditional and reactive notions of single organizations and their proprietary workforces. In systems thinking it is acknowledged that a host of factors influence people to come and go—both from the sector and from organizations. We attempt to identify which aspects of the system we are most likely to influence successfully and others for which we will simply have to do our best to compensate. This approach forces us to be strategic and opportunistic in the search for qualified people as well as realistic about our best chances of retaining them.

Seen through this lens, these research findings and our experience with hundreds of nonprofits each year lead us to several conclusions about which nonprofits will fare best in the talent war. Successful organizations will:

Be clear about the skills and attributes essential to the success of their organization and be aggressive about attracting people that have them.

Take meaningful, targeted steps to reducing turnover based on an open dialogue with staff about what they value in their workplace.

Compensate competitively including benefits (especially retirement whenever possible).

Focus on developing people. Reframe the dated perception of "supervision" as purely performance monitoring to mean keeping staff fully engaged through personal and professional development opportunities.

Be flexible and resourceful enough to manage inevitable staff turnover and position vacancy.

Paul Light's research with public policy graduate students²⁰, among other studies, suggests that the nonprofit sector has a special appeal for the general workforce. One of our primary leverage points is the prospect of meaningful work. Successful nonprofits will use their missions and organizational values to recruit a talented workforce. In the new economy, effective organizations realize that this work is never done. The pursuit of people with the right skills and attributes to contribute is ongoing, as is the effort to develop and retain them.

The range of essential nonprofit contributions to our communities—from healing the sick to showcasing artistic expression—depends on the vitality of our nonprofit workforce. These millions of employees, joined by many more millions of volunteers, are the backbone of civil society. Those of us who work in, volunteer for, govern, fund, or study nonprofits, must be concerned with how this workforce is supported and enriched over time.

²⁰ *The New Public Service*, Paul C. Light. Brookings Institution Press, Washington D.C. 1999

Appendix A

Resources

BOOKS AND ARTICLES

California Nonprofit Employment
by Sarah Dewees and Lester M. Salamon
Center for Civil Society Studies, The Johns
Hopkins University; California Association
of Nonprofits available at
www.canonprofits.org

*2001 Wage and Benefit Survey of
Northern California*
The Management Center, San Francisco, CA
available at tmcenter.org

*Daring to Lead: Nonprofit Executive Directors and
Their Work Experience*
by Jeanne Peters, Timothy Wolfred, et.al.
CompassPoint Nonprofit Services
to download for free or to order hardcopy:
www.compasspoint.org

*A Great Place to Work: What Makes Some
Employers So Good (And Most So bad)*
by Robert Levering
Great Place to Work Institute

*The Truth About Burnout: How Organizations
Cause Personal Stress and What to Do About It*
By Christina Maslach and Michael P. Leiter
Jossey-Bass publishers

The Nonprofit Quarterly: Job or Vocation?
Exploring the Nonprofit Workforce
Volume 7, Issue 3
see www.nonprofitquarterly.org

*Best Practices: The Model Employee Handbook
for California Nonprofits*
by Leyna Bernstein
available at tmcenter.org

*The Leadership Challenge: How to Keep Getting
Extraordinary Things Done in Organizations*
By James M. Kouzes and Barry Z. Posner
Jossey-Bass publishers

ORGANIZATIONS & WEBSITES

Society of Human Resource Management
www.shrm.org
SHRM provides education and information
services, conferences and seminars, gov
ernment and media representation, online
services and publications on human
resources management. Not particularly
focussed on nonprofit organizations.
1800 Duke Street
Alexandria, Virginia 22314
(T) 703 548-3440

Nonprofit Insurance Alliance of California
www.niac.org
P.O. Box 8507
Santa Cruz, CA 95061-8507
T 1-800-359-NIAC (6422) or 831-459-0980
F 831-459-0853
NIAC is a liability insurance pool which

was established in 1989 exclusively for
501(c)(3) tax-exempt nonprofit organiza
tions in California. NIAC provides a stable
source of reasonably priced liability insur
ance coverages tailored to the specialized
needs of the nonprofit sector.

California Association of Nonprofits at
www.canonprofits.org
315 West Ninth Street, Suite 705
Los Angeles, CA 90015
contact: Alan Straud
T 213 347-2070 x206

Legal work: Answers questions for mem
bers on variety of topics, including human
resources. Sells books as well.
Specific areas include: State personnel
law, labor code, contract employees, ter
mination procedures, hiring process, per
formance evaluation, personnel manuals.
Rates: Sliding scale for membership. Will
answer brief questions from non-members.

www.HR-Guide.com

HR Guide provides links to various human
resource topics, like benefits, pay, per
formance evaluations, and hiring.

Abbott, Langer & Associates
548 First St.,
Crete, IL 60417
T 708-672-4200
<http://www.abbottlanger.com/alasno.html>
Legal work: National firm that puts out a com
prehensive nonprofit compensation
survey. Provides samples of reports on
its webpage.

*State of California Industrial Relations Division
of Labor Standards Enforcement*
<http://www.dir.ca.gov/>
T 415-557-7878
info@dir.ca.gov
Legal work: Recorded information on many
labor topics—working hours, wages, etc.

California Chamber of Commerce
<http://www.calchamber.com/>
1215 K Street, Suite 1400,
Sacramento, CA 95814
P.O. Box 1736,
Sacramento, CA 95812-1736
T 916-444-6670
helpline 800-772-2399
Legal work: Provides clarification of labor
law through a helpline for members (non
members can call once for free to try it).
Website includes some labor law FAQs.

Nonprofit Risk Management Center
1001 Connecticut Avenue, NW
Washington, DC 20036
T 202-785-3891
Legal work: Provides information on
managing risk in the human resources
area as well as others (for example,
avoiding litigation)

Appendix B

Survey Instrument

CompassPoint Nonprofit Services

BAY AREA NONPROFIT WORKFORCE STUDY

This survey is being conducted by CompassPoint Nonprofit Services as part of our research on the nonprofit workforce in the Bay Area. The study, which is funded by the Rosenberg Foundation, will be published in summer, 2001. Please check our website at www.compasspoint.org at that time for its availability. We ask that you return the survey by March 20, 2001. You may use the enclosed envelope or fax the completed survey to 415-541-7708. If you have any questions about this survey or the project, please reach Jeanne Peters at 415-541-9000 or JeanneP@compasspoint.org.

1. What is your title?
Executive Director
Human Resources Director
Other (please write in):
2. Which ONE of the following best describes the primary work of your organization? *(Please choose one only.)*
Advocacy
Animal Protection/Rescue/Shelter
Arts/Culture
Childcare
Community/Economic Development
Education
Environmental
Health/Disease Prevention
Human/Social Service
International
Legal Services
Philanthropy
Religious
3. What's your organization's current operating budget? \$
4. Other than the Executive Director, what is the title of the person at your agency, if any, in charge of human resource administration?
5. How many PAID staff positions do you have, including any open positions?
(Note: This is not asking about F.T.E., please give the number of discrete positions at your agency, regardless of whether they are full time, part-time, etc.)

6. How many of your PAID staff positions are currently vacant?
(Note: This is not asking about F.T.E., please give the number of discrete open positions at your agency, regardless of whether they are full time, part-time, etc.)

7. Does this seem to you like a bigger percentage of position vacancies than your agency had at this time last year? Yes No
8. How many of the vacant positions are MANAGEMENT positions? *Of these management vacancies:*
8.A. How many have been vacant for more than 2 months?
8.B. How many have been vacant for more than 4 months?

9. How many of the vacant positions are NON-management positions?
Of these NON-management vacancies:
9.A. How many have been vacant for more than 2 months?
9.B. How many have been vacant for more than 4 months?

STOP: For questions 10 through 13, please think of the last person who left your agency voluntarily. Answer these four questions about him or her.

10. Which ONE of these 5 areas did this person primarily work in? *(Please choose one only.)*
Administration
Finance
Technology
Development/Fundraising
Program
11. Was this person a manager or a non-manager?
Manager
Non-manager
12. Below is a list of reasons that employees might leave a job. Please check each factor that you think was SIGNIFICANT in this person's leaving your agency. Please DO NOT check items that were either minor factors or not factors at all for this person.
Cost of living in this area
Dissatisfaction with their salary/wages
Great job offer
Burnout
Conflict with supervisor and/or co-workers
Outgrew the job

- Changed fields
- Went back to school
- Retired
- Moved out of the area
- Other personal reasons
- Don't know any of the reasons he/she left

13. Where did this person go after leaving your agency?

- Another nonprofit
- A for-profit corporation or business
- Government or public sector
- Consulting/Self-employment
- School
- Other (please write in):

Don't know where he/she went

STOP: Questions 14 and 15 DO NOT pertain to the employee you described in questions 10-13.

14. Below is a list of possible strategies and responses to the challenge of hiring and/or retaining staff. Please check any of the strategies and responses that your agency has used WITHIN THE LAST TWELVE MONTHS.

Increasing salaries across the board for all positions (beyond any routine employee annual raises your agency provides)

Increasing salaries for certain types of positions (beyond any routine employee annual raises your agency provides)

Enhancing/adding employee benefits

Using a professional search firm or consultant

Holding on to sub-standard or under-performing staff

Postponing or canceling programs/projects

Supervision training for managers

Increased resources for staff development, professional development

More attention and resources directed to agency culture/climate

Used none of these strategies or responses within the last twelve months

15. On a scale of 1 to 5, with 5 meaning a very high impact, how much impact is this issue of hiring and retaining staff currently having on your agency's ability to run effectively? (Please circle one number below.)
no impact at all 1 2 3 4 5 very high impact

16. Any further thoughts or concerns on this topic? Please write in below.

Thank you very much for your time.

Please return your survey by U.S. mail to

CompassPoint Nonprofit Services,
Attn:
Workforce Study,
706 Mission Street, 5th Floor,
San Francisco
CA 94103.

You can also fax your survey to 415-541-7708.

If you are interested in the results of this research, please check the CompassPoint website at www.compasspoint.org in 2-3 months.

Acknowledgments

We are grateful for the enthusiastic support of the **Rosenberg Foundation**, which generously funded this research.

We invited colleagues with particular interest and expertise about the nonprofit workforce to serve as an Advisory Committee for this project. This Committee gave generously of their time and feedback to help us develop the research questions and make sense of the findings.

Workforce Study Advisory Committee:

John Kreidler, *Executive Director*
Cultural Initiatives Silicon Valley

Gail Kong, *Executive Director*
Asian Pacific Fund

Frank Landin, *Human Resources Director*
Project Open Hand

Pardis Parsa
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Barrett Shaver
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Carol Silverman, *Director of Research*
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Management/University of San Francisco

Kirke Wilson, *President*
The Rosenberg Foundation

Our thanks, too, to **Luciralia Ibarra**, who spent several months with CompassPoint during her Coro fellowship, and to the Coro Foundation for making her fellowship possible. She made a significant contribution during the data analysis phase of the project. Thanks also to the volunteers of Executive Service Corp of San Francisco. ESC members administered telephone surveys to nearly 100 executive directors during the data collection for this report.

Finally, we thank the more than 400 executive directors who took the time to respond to our survey and/or participate in a focus group. We hope this report helps them respond effectively and creatively to the challenge of hiring and retaining staff at their organizations.

About CompassPoint Nonprofit Services

With offices in San Francisco and San José, CompassPoint Nonprofit Services is one of the nation's leading consulting and training firms serving nonprofit organizations. Through its 36 staff and hundreds of volunteer professionals, CompassPoint provides management assistance to nonprofits in fundraising, technology utilization, strategic planning, nonprofit finance, executive transitions, boards of directors, strategic internet presence, and other topics. Last year CompassPoint conducted 700 workshops for Bay Area nonprofits, and consulted to more than 300 nonprofit organizations. In addition to workshops and consulting, CompassPoint publishes two free electronic newsletters—Food for Thought and the Board Café. CompassPoint's mission is to increase the effectiveness and impact of people working and volunteering in the nonprofit sector.

CompassPoint Nonprofit Services

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