The HR Council for the Voluntary & Non-profit Sector (HR Council) is a forum for dialogue and action on workplace and labour force issues in the non-profit sector. As a convenor, research instigator and information sharing body the HR Council aims to:

- Build and share knowledge
- Promote good HR practices
- Foster training and learning opportunities
- Provide leadership on HR issues
- Engage non-profit organizations in our work

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This document sets the context for a new strategic direction for our sector’s approach to its labour force. It is also an invitation to join the growing dialogue about the change our sector needs and how we can achieve it together. For a window onto the full range of the sector’s discussions and activities in this area, connect with the HR Council at hrcouncil.ca.
In 2005 the HR Council was established to take the lead on labour force issues in the non-profit sector. Based on extensive consultations with people across the sector, including the first ever comprehensive survey of non-profit employers and employees, this is what we know:

What we know

Our sector is large and the contributions of its labour force are vital to our whole society.

Nearly 1.2 million Canadians perform paid work for non-profit organizations. Our sector is powered by people with real skills and experience; the sector is its labour force. The health and sustainability of the non-profit labour force has implications for all Canadians.

A passive approach to labour force issues is no longer an option.

The competition for talent — locally, nationally, and globally — is becoming increasingly intense. Other sectors across the Canadian economy are taking labour force issues very seriously; our sector must become more proactive about attracting people with the right skills. We cannot be complacent, or we run the risk of being left behind.
People in our sector understand the need for change but can’t do it alone.

In countless discussions with people working in our sector, we have found that most people get it — they know that building the labour force we’ll need tomorrow requires strategic thinking today. But no individual, organization, funder, or board can create this change on their own. The HR Council is ready to help drive the change our sector needs by acting as a hub for information-sharing and a catalyst for labour force development and renewal.

Change has already begun.

A range of players at the provincial and organizational levels have begun to take action to ensure that the sector attracts the people and skills it needs for the future. The HR Council aims to make it as easy as possible for others to become part of this change. We offer practical tools and information about workplace and HR issues. We are working to pool the sector’s knowledge and insights in this area, and to build connections among people and organizations. Based on extensive consultation with the sector, we have also begun to chart directions for strategic change on labour force issues.
A turning point

We find ourselves at a moment of profound change, both for our sector and for our society at large. The world’s economies are in a state of upheaval; environmental issues are assuming unprecedented urgency; technology continues to reshape the way we work and relate to one another. In Canada, a large and culturally dominant generation — the baby boomers — are approaching retirement while a new generation of people, more diverse than their predecessors, enters the labour force.

The social, economic and environmental challenges that will define the next several years will demand new levels of expertise, creativity and innovation from people working in Canada’s non-profit sector. Those connected to the sector know that our people and organizations have an invaluable contribution to make. They sense that we are facing a moment of tremendous opportunity for action and impact — and a moment when Canadians will rely on non-profit organizations as never before.

But employers say that difficulty in recruiting talent is already affecting the ability of their organizations to rise to the challenges of the day. To ensure that non-profits are able to compete for the best people and skills—and to ensure that the conditions are set for our existing labour force to do its best work—our sector is beginning to come together around strategic approaches to labour force issues.

A large sector...

Across Canada, nearly 1.2 million people do paid work in the non-profit sector. These people represent more than 7% of the overall Canadian workforce. Our sector’s labour force is a large and important part of the Canadian economy. Indeed, expressed as a proportion of the national labour force, Canada’s non-profit sector is the second largest in the world after the Netherlands.

Across our sector and across the country, hundreds of thousands of paid staff are deeply engaged with work in health and social services, sports and recreation, development and housing, religious communities, international development, and a range of other activities from environmental work to education and research.

The 1.2 million people working in our sector are people with real skills and experience. Not only do they deliver immense value through their own work, they also mobilize the millions of Canadians who perform volunteer work each year.

The non-profit labour force is vital to the health of our whole society.

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<td>Number of Canadians employed in the non-profit sector.</td>
<td>Proportion of the total Canadian workforce this represents.</td>
<td>Number of countries whose non-profit sectors are proportionally larger.</td>
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...with an important job to do

There is tremendous diversity of both missions and methods in the non-profit sector; so much so that we sometimes have trouble seeing ourselves as a sector. But when we pull back from the geographic, organizational and program boundaries that separate us, we find that the 1.2 million paid staff who drive our sector are united by a commitment to some of the most important work in our society:

Promoting the health and well-being of all Canadians.
Through activities ranging from sports and recreation programs, to social services and community-based health initiatives, our sector promotes the mental, physical and social well-being of individuals and communities across the country.

Strengthening the fabric of one of the most diverse societies on earth.
From immigrant settlement programs and cultural centres to youth groups and religious charities, our sector helps people find a sense of identity and belonging in a country where nearly a quarter-million newcomers arrive annually and where one in five residents was born abroad.

Fostering strong communities.
In a country of big cities and vast spaces, our sector helps communities of all kinds work. Non-profits provide essential supports like food banks and shelters; run violence-prevention programs; ensure that people with disabilities can participate fully in Canadian communities; and strengthen the connective tissue of our neighbourhoods with hubs like drop-in centres for young parents and community kitchens and gardens.

Promoting innovation to help our society and economy adapt to new realities.
Our sector is leading the way on a range of environmental innovations, from sustainable energy ideas and urban design adaptations to food security and carbon-reduction initiatives. It’s also demonstrating that social innovations can be as transformative as technological advances.

Preparing Canadians to enter and re-enter the labour force.
The non-profit sector helps thousands of Canadians transition into the labour force each year, through employment training programs, job-search and employment counselling centres, and accreditation programs for newcomers.
The work of the non-profit sector is work our society simply can’t do without. For that reason, the cultivation of a strong and resilient labour force for our sector — one that attracts the best and brightest young people and newcomers, and helps its current members to thrive in their work — is a crucial project.

In the years to come, the challenges our society faces will without question become more urgent and complex. The recession we face today is placing pressure on our sector, but it doesn’t change the broader demographic, social, economic and technological trends that are reshaping our society. Our workforce is aging; many long-time sector leaders are approaching retirement. Our society is being rapidly transformed by migration and global influences. A new generation of Canadians is preparing to bring its skills, values and modes of work into the labour force.

Amid these changes, will our sector have the people it needs to meet the challenges and opportunities ahead? Will we find ways to attract the best and brightest graduates, newcomers, semi-retirees and others who can bring their energy and experience to our organizations?

In discussions with the HR Council, people connected to the non-profit sector consistently express an awareness that in order to prepare for the future, we need to take a strategic approach to building our labour force. This will require many kinds of action from a wide range of players. People working in the sector told us that in order to chart the best strategic path for the renewal of our labour force, we needed to understand what our sector’s work force looks like today: how it operates, where it achieves excellence and where it needs to gain ground.

The sector’s desire to see where we are today — in order to determine the best way forward from a labour force perspective — gave rise to the first-ever comprehensive study of non-profit employers and employees.

Where we stand today

Wherever you work and whatever your role in the non-profit sector, there are others who share your challenges and concerns. The HR Council’s research demonstrates clearly that, despite our sector’s diversity, there are important commonalities across regions, programs and organizations when it comes to HR and workplace concerns.

Over the past three years, the HR Council has undertaken the first ever comprehensive research process to understand the non-profit labour force. This important research offers everyone involved with the sector an unprecedented opportunity to understand the attitudes and experiences of people working in non-profits — and the conditions under which we work. The research also sets the framework for an open dialogue about how a range of actors — employers, employees, organized labour, funders, policy makers, boards and researchers — can work together to ensure that Canada’s non-profit sector continues to attract the people and skills it needs to do its vital work.

The anchor of the research process was a major quantitative study of employers and employees working for non-profit organizations. Data about the labour force practices and concerns of people in our sector has never been gathered before on this scale. The HR Council undertook this research project after an extensive consultation process (which included visits to 37 communities across the country) revealed that people working in the sector were prepared to take strategic action on labour force issues, but needed information and some convening efforts before they could begin to move toward coordinated solutions. The research holds up a mirror to our sector as it exists today; it is the first word in a conversation about the action we must collectively take to ensure that our organizations are able to effectively address the social, economic and environmental challenges of the years ahead.
The sector is ready to work on labour force issues

The first finding of the HR Council’s research process came not in the form of words or numbers, but in the form of people assembled in offices and meeting rooms across the country. Several years ago, even before the formation of the HR Council itself, a few people who were beginning to focus on our sector’s labour force set out to hear from a broad cross-section of individuals working in the sector. When we invited non-profit sector players in communities across Canada to meet with us, despite their overwhelmingly busy schedules, people—a lot of people—turned up.

Everywhere we went, we had productive and well-attended meetings about HR issues in non-profit organizations. People discussed the passion they felt for their work; the challenges of managing and compensating people on tight operating budgets; strategies for recruitment and retention; areas where their teams excelled, and other areas where they faced persistent skills gaps. Executive directors in their 50s and 60s described their concern about succession plans: who would replace them and how would their knowledge and experience continue to benefit their organizations after they retired?

In these sessions, ideas and concerns about HR and labour force issues poured out. Many participants observed that although they understood very well the importance of these questions, they were seldom at the top of the agenda in any given week. Unless there was a sudden resignation or some other crisis, HR and workplace matters tended to get lost amid the competing concerns of day to day operations.

People throughout the sector were eager to discuss workplace issues with us, but more importantly they wanted to discuss them with each other. Some participants whose organizations worked down the
street from each other noted that despite their proximity, this visit with people from Ottawa was the first occasion that had caused them to get together to talk about their HR practices and concerns — and discover how much common ground they shared.

The consultations conducted in these 37 communities would lay the foundation for the formation of the HR Council, and for a three-year exploration of labour force issues in the non-profit sector. The HR Council embarked on this research with the awareness that the sector was motivated to tackle labour force issues; that people working in the sector wanted to connect with their peers to share information and solutions; and that the first step toward a sector-wide strategic approach to HR and labour force issues was finding out where our sector stands today.

A large sector with many small organizations — fragmentation and incubation

Nearly 1.2 million Canadians perform paid work for non-profit organizations in close to 69,000 workplaces. These organizations do important work across Canada, in every province and territory and in communities of every size.

Despite the size and reach of our labour force, however, many people working in the sector do not feel strongly connected to a network of peers with whom they can share HR ideas and workplace solutions. The median number of employees working for organizations in our sector is five; three-quarters of organizations have fewer than ten employees. Although some non-profits have dozens or even hundreds of paid staff — and indeed over half the people working in the sector work for large organizations — the sector is predominantly composed of much smaller bodies. Moreover, two-thirds of organizations are completely independent; they have no parent organizations or sub-units.

A sector populated by small organizations with few formal organizational links is prone to fragmentation. In the non-profit sector, this tendency is compounded by the fact that our work is focused in a range of distinct areas from social services to recreation to housing and development. In short, the structure of

our sector can make it difficult for people connected to non-profit organizations both to learn from each other and to act together to address labour force challenges.

Some individuals and organizations have managed to create informal networks to share HR tools and practices. And organizations like unions and issue-based associations can also act as links. But many individuals and organizations work in relative isolation as they recruit employees, establish compensation and benefit schemes, make decisions about professional development and address other HR challenges.

The great news is that a sector with many organizations doing many kinds of work through a range of methods contains a huge number of incubators for innovation. The HR Council’s consultations have already begun to reveal strong insights and practices in many parts of the sector. Our shared task — one the HR Council is ready to facilitate — is to connect with each other to spread good ideas through the sector, and to surface opportunities for collaboration.

High levels of personal dedication unite people working in our sector — but there’s more to the story

One of the most impressive characteristics of the non-profit sector is the sense of passion and commitment people feel for their work. A very strong majority (85%) of people doing paid work for non-profits agree that “I am strongly committed to the cause(s) my current organization supports.” Sector employees are also almost unanimous in their commitment to the organizations they work for: 96% of people doing paid work for non-profit organizations say they are either very (65%) or somewhat (31%) committed to their organization. Notably, commitment to one’s organization and commitment to “the cause” are powerfully correlated: 93% of those who express strong commitment to their organization also express strong commitment to the cause their organization supports.

For most people working in our sector, their work is more than just a job: it’s a mission. This kind of
commitment is a source of pride and satisfaction in the non-profit sector. It can also be a double-edged sword. A strong sense of mission is extremely valuable in addressing labour force issues because people who are committed to the work of their organizations are motivated to ensure that those organizations are able to attract the best talent and do excellent work in the future. At the same time, there is sometimes an assumption that because our sense of mission drives us, HR issues such as compensation, benefits and professional development are not as crucial for us as they are for others.

In the survey of employers and employees, a sense of mission comes through loud and clear. But so do other important findings about the experiences of employees in the sector. For instance, among the roughly one-quarter of employees who are actively looking for another job, the most frequently cited push factor causing them to consider leaving their current job is dissatisfaction with their salary. While the survey found that people in our sector express high levels of satisfaction with their relationships at work and the responsibilities associated with their jobs, they are relatively unsatisfied with the opportunities for career advancement.

In some ways, the non-profit sector operates differently from other sectors. And for most people the satisfactions and rewards of work in the non-profit sector go beyond money. Nevertheless, the health of our sector is strongly connected to the quality of our working lives. Our ability to work effectively on issues that matter to all Canadians — and our ability to recruit the best and brightest talent in the future — hinge on our ability to create positive, stimulating work environments for the people who bring their time, energy and skills to our organizations. Now is the time to begin a conversation about how we want to go about this.

The research with employers and employees was not designed to create prescriptions for how non-profit workplaces should operate. But it did deliberately explore a broad range of factors that shape people’s experience of their work — from professional development and workplace culture to compensation and opportunities for advancement. As our sector begins to shape its labour force strategy, this study offers some basic information about the various ingredients, including a strong sense of mission, that contribute to satisfying careers in our sector.
The sector is diverse but many characteristics and concerns cut across it

The non-profit sector is composed of many organizations that work on a range of issues in a number of ways. Nevertheless, our sector is united by some important characteristics, and a number of these shared traits have implications for labour force and HR issues. As a result, many people working in our sector have found that it makes sense to work together on HR matters, pooling ideas and tools, and jointly considering strategic approaches to our labour force needs.

Governance and operations
The most obvious characteristic that unites non-profit organizations, diverse as they are, is that they are neither businesses nor governments. From a mission perspective, our sector is also united by a shared commitment to work that contributes to the health, fairness, cohesion and sustainability of our society. On a more practical level, organizations throughout our sector:

- Rely on some combination of earned income, donations, grants, foundation and government funds to sustain their operations
- Are generally overseen by boards of volunteers, who must approve major decisions about resource allocation, a role that has implications for staffing, compensation and professional development
- Depend to varying degrees on the work of volunteers in addition to their paid staff
- Are bound to many of the same regulatory imperatives of transparency, accountability and resource allocation. Many of these imperatives have implications for staffing and human resource issues

In 60% of non-profits, the responsibility for human resources management is one part of one person’s job. Under these conditions, it is difficult for individual organizations to respond strategically to their own HR needs, let alone act on wider sectoral issues.

The HR Council is ready to help organizations connect with peers and find solutions that make sense at both the organizational and sectoral level.

Demographics
The quantitative study of the sector offers evidence that the non-profit sector does not yet fully reflect the diversity of Canadian society: nearly 9 in 10 people (89%) working in our sector identify themselves as white or Caucasian, while less than 10% identify as members of a visible minority (6%) or an ethnic minority (2.5%). According to Statistics Canada, the visible minority population makes up about 16% of Canada’s overall population — nearly twice the proportion found in the non-profit sector — and this population is growing at about five times the rate of the population at large.

Our sector skews slightly older than the Canadian labour force: the median age among non-profit employees is 43.4, as compared to a median of 41.2 in the broader labour force. Women outnumber men in our sector by a factor of three to one (76.4% versus 23.6%).

No one can change the demographic profile of our sector overnight, making it perfectly representative of Canadian society. At the same time, people working in our sector express an awareness that the continued vitality of our organizations and the continued efficacy of our work depends on our collective efforts to
ensure that we are making use of the full range of talent available in the Canadian population. Since our sector employs more than 7% of the Canadian labour force, equity in non-profit organizations can make an important contribution to the equity of the entire national labour market.

Recruitment, retention and skills

Beyond demographic commonalities, many employers working in our sector echo one another’s concerns about recruitment and skills gaps. Nearly half of employers who tried to recruit new employees in the last year (2007) said it was “difficult” or “very difficult” to find qualified candidates (When recruitment is problematic, life often gets busier for people already working in the organization: when employers were asked what they do when they are unable to recruit a suitable candidate for a position, the most common answer was that they distribute the duties of the unfilled position among their existing staff).

Prior to the study, recruitment and retention were sometimes seen as equally pressing concerns, but the study reveals that non-profit organizations have a much easier time retaining existing employees than recruiting new ones.

According to employers...

Employee skills that best meet needs:
- Literacy
- Numeracy
- Communication
- Teamwork

Employee skills that most often fall short of needs:
- Technology
- Time management

Nearly half of employers who tried to recruit new employees in the last year said it was “difficult” or “very difficult” to find qualified candidates.

In addition, nearly one in five employers agreed at least somewhat with the statement, “My organization has difficulty meeting its objectives because its employees do not have sufficient skills.” Employers generally gave high ratings for their staff members’ literacy and numeracy skills, as well as their ability to work in teams. But roughly one in four said that their employees’ computer skills met their organizations’ needs only partly, or not at all.

Our research reveals that non-profit organizations have many shared characteristics and many shared challenges. This common ground suggests the potential for shared solutions. The circumstances of non-profit bodies across the country vary considerably, but many of the insights and practices of people working in the sector are both valuable and transferable. The HR Council is ready to act as the hub through which our sector develops and shares solutions.
Momentum is building across the country for new strategic approaches to our sector’s labour force. If you are involved with the sector — as an employer, an employee, a funder, a policy maker or a researcher — and you want to be part of the growing conversation about the changes we need to make, the HR Council is a hub through which you can connect to others who are engaged with these issues.

Change is happening

A number of initiatives are already underway across the country:

- Quebec’s Comité sectoriel de main-d’œuvre – Économie sociale, Action communautaire, has worked since 1997 to promote and consolidate joint action on sector work force issues.

- In 2007, sector stakeholders and government partners developed “A Workforce Strategy for Alberta’s Non-Profit and Voluntary Sector.”

- Recent joint sector-government initiatives in other provinces have included a focus on human resources. For example, the strategic priorities identified in November 2008 for the British Columbia Non-profit Initiative include the development of a human resource strategy.

- Change is also happening within organizations with regard to their focus on governance, budgeting and operational decisions that affect human resource planning and management.

These efforts indicate that people working in different parts of the sector understand the need for coordinated action on labour force issues, and are ready to take part.

The HR Council is a catalyst

The HR Council is ready to play an active role in this process as a convenor, coordinator, research instigator and information-sharing mechanism. We are pleased to offer the Labour Force Study described in this document as a foundation for dialogue and a tool to help people and organizations in the sector formulate plans of action (Find our “Toward a Labour Force Strategy” reports on hrcouncil.ca).

The HR Council is a forum for discussions on workplace and labour force issues. The sector itself is moving toward strategic change; the HR Council is here to encourage and connect the people and organizations at work on solutions.

Strategic directions for the sector to discuss and pursue

Based on the findings of the quantitative study, as well as extensive consultation with people in different parts of the non-profit sector, the HR Council has crystallized five broad strategic directions for action on HR and labour force issues. People who are connected to our sector believe the keys to building a strong, sustainable labour force lie in these areas:
Attracting and developing the people organizations need.
Excellence in HR management is one of the fundamentals of excellence in an organization’s work toward its mission and mandate. Whatever an organization’s size, resources or current practices, there is room for strategic improvement in HR management.

Benefiting from the full range of talent.
In order to contribute to an equitable, accessible labour market and to benefit from the full range of talent available in the Canadian labour force, the non-profit sector must make intentional efforts to make its labour force increasingly inclusive. Inclusiveness has implications for the recruitment and retention of people with disabilities, new immigrants, members of visible minorities and Aboriginal groups, and individuals marginalized because of sexual orientation, gender or gender orientation. Notably, the generation currently entering the labour force is more diverse than older generations, so the recruitment of young talent and the cultivation of diversity in our sector are likely to go together.

Focusing on research and development.
It will be difficult for the sector to move forward on labour force issues without sound, up-to-date empirical information about trends and issues affecting non-profit organizations. Because a labour force strategy will require action in so many areas and from so many players, research data must be widely accessible in order to be useful. Strong evidence helps individuals make change within organizations by providing answers to questions like, “What do other organizations like this one do?” or “What are the current ‘best practices’?”

Promoting the value of work in the sector.
When our sector promotes the value of the work it does, there are a number of audiences to consider. All Canadians should be aware of the impact the non-profit sector and its labour force have on society, the economy and communities across the country. Prospective employees are another important audience; they should know that careers in our sector offer unparalleled opportunities for contribution and satisfaction. Still, it is difficult to promote work that is stressful and underpaid. So embedded in the idea of promoting work in the sector is the idea that we must work together to ensure that working conditions in our organizations are worthy of being recommended to prospective employees.

Ensuring financial resources to sustain the sector’s labour force.
To sustain and develop the sector’s labour force, a range of stakeholders will have to ensure that the necessary financial resources are in place. Organizations, their boards, their funders and unions all have a part to play in leading our sector toward competitive compensation, good working conditions and effective HR management. An array of mechanisms — including funding contracts, agreements with donors and other arrangements — can help to align financial resources with a long-term view of the sector’s human resource needs.
What can you do?

Visit hrcouncil.ca to:

**Check out the HR Toolkit** – a comprehensive online resource designed to help managers, employees and board members better understand, address and manage issues relating to HR in non-profit organizations. Whether you’re looking for guidance on the hiring process, information about employment legislation or sample HR policies to download, the HR Toolkit’s intuitive navigation, plain language and integrated tools and templates make it easy to find what you’re looking for.

**Connect to ACCESS** – the Non-profit Learning, Training & Development Index that offers non-profit employees and employers links to current sector-focused learning, training and development offerings.

**Explore active projects** – the HR Council responds to the needs and concerns of various players in the sector by developing resources on specific topics, like “Standards for Effective HR Management,” “Core Competencies for Small Organizations” and “Tapping into the Talents of Early and Late Career Employees.” Explore our offerings or suggest a project: we want to hear from you about issues you think need attention and positive changes that are happening in your area.

**Learn what’s happening locally** – the HR Council connects existing networks and associations in the non-profit sector, and spreads the word about new and ongoing initiatives. Find out about HR and labour force initiatives in your province or local community.

In your own organization you can:

**Raise HR practices at your next staff meeting** – gauge your colleagues’ level of engagement with HR issues and discuss practical ways you might begin to learn about and act on them.

**Make sure your board sees this document** – keep board members informed about HR issues in your organization, and about the changes that are underway in the broader sector.

**Talk to people in your network** – if you have a formal or informal network of colleagues who discuss issues related to your mission, organizational issues, fundraising, or other matters, add labour force and HR issues to the agenda; consider how you might share information and best practices.

The work of the non-profit sector is work our society simply can’t do without.
“I don’t have time today”

You’re in good company. A labour force strategy that will enable our sector to thrive in the years to come is a large and complex undertaking. From any one perspective — governmental, organizational, individual — it is a daunting task, especially given that everyone in the sector has a job with its own demands. Today, we hope you come away from this document knowing that:

- Change is happening in our sector on labour force issues
- Because of the important research conducted in the past few years, the sector is now able to see itself and its labour force needs more clearly than ever
- There are easy, practical ways for you to stay informed and participate in HR and labour force changes that will make our entire sector more effective over time
- hrcouncil.ca is your link to HR and labour force issues; we want to know what issues you think need attention; we also want to know about changes you are making and changes you see happening in your area