

Trends & Issues

Small nonprofits: A big part of our sector

This report is based on the results of the first major quantitative study of the Canadian nonprofit sector, conducted by the HR Council in 2008. More information on this study and its methodology is available on hrcouncil.ca

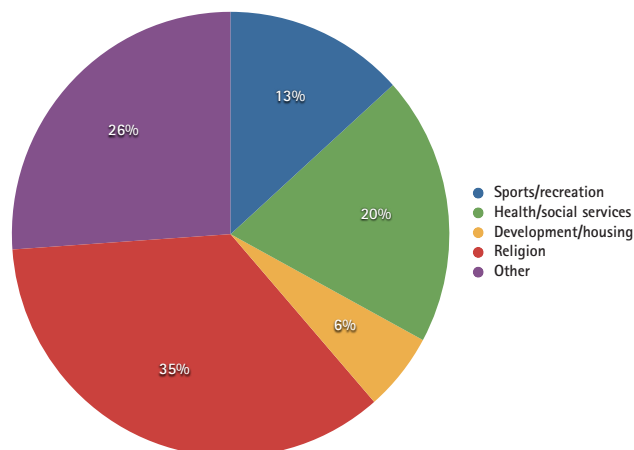
What do we know about small nonprofits in Canada?

Canada's nonprofit sector is mostly made up of small organizations. There are about 54,000 of them. Three-quarters of nonprofits (74%) have fewer than ten employees and over half of Canadian nonprofits (53%) have fewer than five employees (see Figure 1).

More than one third (35%) of the sector's small organizations are religious organizations, which tend to be long-operating and affiliated with larger bodies (national churches, for example). Their characteristics colour the data on small organizations. For instance, the average period of operation for small nonprofits in Canada is 43 years; small religious nonprofits exert a strong upward pull on this average, as their average period of operation is 71 years. Similarly, only about three in ten (32%) small religious nonprofits operate independently, as compared to eight in ten (79%) small nonprofits in other areas of activity.

Figure 1

Small organizations by area of activity



What do we know about the employees of small nonprofits?

Approximately 168,000 Canadians work for small nonprofits. They outnumber the combined teaching staffs of all of the country's universities and colleges.

In a random group of 100 employees of small nonprofits you would find:

75 women, half of them more than 45 years old

25 men, half of them over 50

81 people in permanent jobs; 54 working full-time and 27 working part-time

19 people whose jobs have a fixed end date

17 senior managers and 16 mid-managers/supervisors

33 support staff, more than half of them in part-time jobs

32 professionals and paraprofessionals

30 workers with children 17 or younger

4 union members

88 people with post-secondary education; 40 of them have a university degree

60 people who work in one or two person shops

36 people who have worked in the sector for 10 years or more

Employees are committed to the cause and they are well satisfied with many aspects of their work.

Employees of small nonprofits are committed to the missions of their organizations: they believe in their organizations' causes and derive a lot of satisfaction from their work. While job satisfaction is generally high among those who work for nonprofit organizations (4.25 out of 5 on average), those who work for small organizations report even higher levels of satisfaction with their jobs (4.4 on average). This satisfaction dovetails with the commitment paid staff feel to the missions of their organizations: nine in ten (90%) describe themselves as strongly committed to the causes their organizations support.

In addition to feeling good about the nature of the work they do, people who work for small nonprofits report high levels of satisfaction with the influence they have on decision-making, the recognition they receive for their work and their relationships with colleagues (both peers and managers).

Training: a source of lower satisfaction

One area of relatively low satisfaction for employees of small nonprofits is training and professional development. On average, employees rate their professional development opportunities at their current organization at 3.5 on a five-point scale. This may reflect concerns about the quality of professional development opportunities available to them, but for many it could reflect the simple absence of opportunities. A substantial minority of paid staff in the nonprofit sector (44%) say they had no opportunities for professional development at all in the twelve months prior to the survey.

What challenges do small nonprofit employers face?

Recruitment: a common challenge

Recruitment is a challenge for a many small nonprofits. Of the ones that reported recruitment activity over the year (56%), four in ten (43%) say that it was at least somewhat difficult to recruit qualified paid staff. Those who face recruitment problems most often blame a lack of qualified applicants or the low salary their organizations are able to offer.

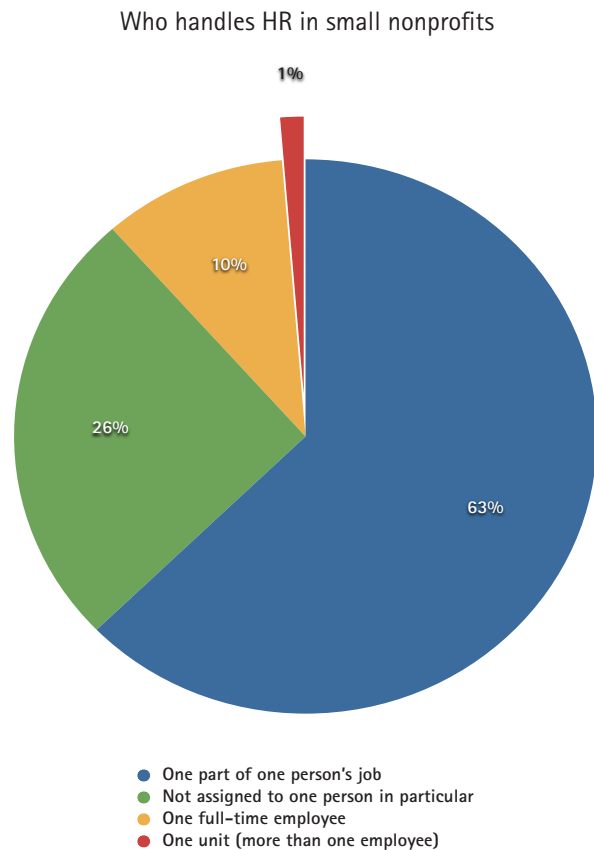
Recruitment problems are likely to result in more difficult conditions for existing employees since many organizations that are unable to recruit a qualified applicant tend to distribute the empty position's work among other staff, or hire a less qualified applicant who may require more support in carrying out his or her work. We need to be concerned that recruitment challenges may diminish satisfying aspects of working in small nonprofits, or amplify the less satisfying aspects.

Management is a big job in small nonprofits

Most often, HR management is one part of a busy executive director's (or other manager's) job. Only about one in ten small organizations in the sector has a staff member dedicated to human resources, or HR (see Figure 2).

Given that it is often just one of a manager's many responsibilities, HR faces stiff competition for their time and attention. HR also competes for

Figure 2



AREAS OF GREATEST SATISFACTION FOR SMALL NONPROFIT EMPLOYEES

Influence on decision-making
Recognition
Amount of responsibility
Relationships with supervisors and colleagues

AREAS OF LEAST SATISFACTION FOR SMALL NONPROFIT EMPLOYEES

Training
Professional development

WHAT IS MOST LIKELY TO HAPPEN WHEN SMALL NONPROFITS CANNOT RECRUIT A QUALIFIED CANDIDATE

Existing employees share the job responsibilities
Volunteers do the work
A less qualified applicant is hired

financial resources with other organizations. Perhaps we should not be surprised that three in ten small non-profits report that over the past twelve months they have not done anything to make their workplace more attractive to current and prospective employees.

Skills needs are changing

More than nine in ten small nonprofit employers (93%) believe that their current team has the skills they need to meet their organization's needs. Still, employers and employees alike perceive an emerging need for more skills associated with computers and information technology, financial management, fundraising, and marketing to ensure that small nonprofits continue to have the talent they need to operate successfully.

Thinking about the jobs they currently have, employees in small nonprofits suggest there is room for improvement in their skills in some areas: fundraising/resource development, marketing, finance and HR/personnel management. Thinking about the jobs they hope to have in the near future, they put skills related to computer/web/IT at the top of the list.

For small organizations in our sector to meet evolving needs, we have to cultivate new skills among existing employees and attract skilled candidates from the talent pool of graduating students and those currently working in other sectors.

Why do these findings matter?

Most nonprofits are small. These organizations have their own dynamics (for instance, the organizational "ladder" is often just a rung or two high) and they manage very differently from day to day than larger organizations do. By understanding how small organizations operate and how they manage their employees – and by understanding the characteristics and experiences of employees in small nonprofits – we will be better equipped to:

- Highlight what makes working in small nonprofits appealing to prospective employees so recruiting will be more effective
- Promote the development of training opportunities that are valuable and feasible for people working in small nonprofits
- Help employees find ways to be challenged and make the most of their careers in small organizations