COMMONGOOD CAREERS

Selected Articles for Organizational Managers

2008-2009 Edition

Helping social entrepreneurs to build strong organizations through the recruitment, hiring, development and retention of outstanding talent

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Please Note

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ABOUT COMMONGOOD CAREERS

Commongood Careers (www.cgcareers.org) is an innovative nonprofit search firm working to enable social entrepreneurs to build strong organizations through the recruitment, hiring, development and retention of outstanding talent.

Founded in 2005 by nonprofit professionals in partnership with New Profit Inc., Commongood Careers differentiates itself from other recruitment and search firms in three essential ways:

- Focusing on "next generation" nonprofits and ventures that are innovative, growth-oriented and entrepreneurial in their approach to solving social problems.
- Managing searches at every organizational level and across every functional area, from entry-level through executive positions in departments including development, finance, technology, programs and general management.
- Utilizing a streamlined approach, customized talent management system and break-even fee structure to offer the most efficient and affordable retained search support in the country.

Over the past few years, Commongood Careers has completed 400 searches in 20 states for 100 of the nation's leading nonprofits with a 90 percent successful hire rate and 50 percent of positions filled by candidates of color.

Ultimately, it is the vision of Commongood Careers that, one day, all social entrepreneurs will be able to efficiently access and develop the talent they need in order to achieve their full potential for social impact.

We are proud to work toward this vision in partnership with outstanding clients such as those listed below.

Acelero Learning	EdVestors	New Profit, Inc.
Achievement First	Edwin Gould Foundation	Nonprofit Finance Fund
American Jewish World Service	Emerging Practitioners in Philanthropy	Peace Games
Ashoka	Facing History and Ourselves	Peer Health Exchange
Avodah, Jewish Service Corps	First Place for Youth	Project HEALTH
Be The Change	Grantmakers for Education	Public Allies
BELL	GreenLight Fund	Rare Conservation
Blue Ridge Foundation New York	Hands On Network / Points of Light	Reach Out and Read
Breakthrough Collaborative	I Do Foundation	RISE
BUILD	Interaction Institute for Social Change	Root Cause
Building Excellent Schools	Jenesis Group	SeaChange Capital Partners
Center for Effective Philanthropy	Jumpstart	Soliya
Center for Employment Opportunities	KaBOOM!	Springboard Forward
Citizen Schools	KIPP Schools	Stand for Children
City Year	Kiva Microfunds	Student Conservation Association
College Summit	Leveraging Investments in Creativity (LINC)	SUNY Charter Schools Institute
CompuMentor / TechSoup	Management Leadership for Tomorrow	Teach For America
Computers for Youth	Massachusetts 2020	Teen Empowerment
Coro New York Leadership Center	Massachusetts Mentoring Partnership	Tenacity
DonorsChoose.org	Massachusetts Public School Performance	W. K. Kellogg Foundation
Echoing Green	Mastery Charter Schools	Year Up
Edna McConnell Clark Foundation	National Alliance for Public Charter Schools	Youth Villages

PLANNING FOR A STRATEGIC SEARCH

Developing a Roadmap for the Hiring Process

Navigating the hiring process can be a daunting challenge for even the most seasoned managers, but this is particularly true when hiring is not your primary responsibility. With limited time and resources, most hiring managers seek to move the process to completion as quickly as possible and to take advantage of any shortcuts available to them.

In our experience, the most effective searches, as well as those with the most efficient processes and shortest times to hire, begin with a clearly defined and well thought-out process that is set down on paper in a document that we at Commongood Careers refer to as a Search Strategy Plan.

An effective Search Strategy Plan includes several major elements that we will explore in this article: defining the position, writing an internal job description and external posting, developing a recruitment plan and setting up a screening process.

Step 1: Defining the Position

Regardless of whether you are hiring to fill a new position or to replace an outgoing employee, your first step should be to conduct a thorough organizational or departmental "needs assessment" or "gap analysis" that goes beyond the individual position and extends to its full range of influence. Collaborate with key internal stakeholders and decision-makers to compare the responsibilities and competencies of current staff against all existing and possible needs. Identify the gaps between current capacity and projected needs and leverage that insight when considering the scope of the open position. Is there any current employee whose role overlaps unnecessarily with the opening or someone who could be moved into this role in place of looking to hire? Always consider existing resources before looking for new acquisitions.

Planning along these lines is generally expected for new positions, but may be overlooked when filling existing roles. If you are hiring because of the departure of a high-performing and well-liked employee, make sure to avoid the common pitfall of trying to find a clone of that individual. More than likely, your organization has grown and changed since the exiting employee started, and as a result, his or her old job description may no longer be relevant. In addition, linear thinking will limit the opportunities available to your organization, such as considering "out of the box" candidates with different profiles who could bring new ideas and perspectives to your organization. Such thinking is equally valuable, albeit in reverse, for terminations and low-performing employees. Work through your current needs assessment from scratch, as opposed to making a knee-jerk reaction to hire someone who merely possesses what your prior employee lacked.

Once you have identified your needs, it is time to more thoroughly define the position and the profile of your ideal candidate. To ensure an equitable process, try to gather input from several staff as opposed to having the role shaped by one individual. Some questions to consider include the following suggestions.

- What are the opportunities and challenges presented to someone filling the position?
- What core competencies, experiences or functional skills are required for success?
- What organizational values would an ideal candidate reflect? What attributes would eliminate a candidate from consideration?
- What kinds of people are generally successful in this organization and in this type of role? What kinds of people are not successful in this organization and role?
- Where does this position fit in the organizational chart in terms of direct and indirect reporting relationships?
- What is the management style of the person to whom this role will report? What is the style necessitated by this person's co-workers and direct reports?

Step 2: Writing a Job Description and a Job Posting

We now turn to developing two different but equally important documents. The first is a Job Description, which is an internal document that lists the responsibilities as well as the qualifications of the role in precise detail. This document will be used first by hiring managers to evaluate candidates, then by the position manager to set expectations with the new hire, and finally on an ongoing basis to conduct evaluations and performance reviews.

A Job Posting, on the other hand, is an external document created to motivate the right kind of candidates to apply for the job. As such, it should be viewed largely as a marketing tool. Visiting online job boards is a great way to see a variety of different types and styles of job advertisements to inform the creation of your posting, which should include:

- A posting title, which does not need to be identical to the final and actual job title. Especially if your organization uses unique titles, try to post the position under a name that conveys the primary nature of the role to the broadest possible audience.
- A concise description of the organization's history, mission, programs and accomplishments, as well as a description of what makes the organization an exciting place in which to work.
- An overview of the position that summarizes the importance of the role to the overall success of the organization.
- A well-constructed and organized list of key responsibilities. You do not need to include an exhaustive list, but provide some detail about what the role entails, highlighting the appealing aspects of the position such as decision-making authority, participation in strategic planning, etc.
- A list of the job's required qualifications, trying to focus more on competencies than specific types of experience. For example, "exceptional relationship management skills and experience collaborating with

high-net-worth individuals" may be better than "4-7 years work leading major donor campaigns."

- Clear instructions on how to apply, what materials to include, and to whom to direct the application. Stay away from a "no phone calls" statement as it can seem unwelcoming or unprofessional to jobseekers. Consider closing with an equal opportunity employment statement.

Step 3: Developing a Recruitment Plan

Internal Distribution: It is important to share news of an open position with your staff for two reasons. First, current employees may be interested in being considered for the role. Second, current employees are a key source of referrals for any open position. Start by sending a thoughtful email to your organization's staff about the opening. This email should include a brief description of the role and details on the ideal candidate's profile and qualifications. Outlining the requirements of the position will allow employees to determine whether they may or may not be a good fit for the position. While hiring from within can provide a win-win, be prepared for the possibility of difficult conversations if an employee who expresses interest is not going to be a good fit. At the very least, conversations with current employees about new opportunities will provide insight into the individual's career aspirations. As sources of referrals, current employees play a key role, as they know your organization and what it takes to succeed there. Also, as the saying goes, birds of a feather flock together, so your high-performing employees may have friends with similar backgrounds. Consider if a referral bonus would work within your culture. It may motivate people to activate their networks and would be a small price for a great hire.

Distribution to Your Network: Develop and maintain a list of your organization's board members, funders, champions, community partners, peer groups, friends and associates. Keep track of who is well networked and who has referred people for other roles. Share the Job Posting, as appropriate, with as much of this network as possible. Remember that you are not trying to identify the people in your network who may be potential candidates for the role, but are rather looking to spread the word as widely as possible because you never know who might know someone who could become a candidate. Along these lines, encourage your connections to share the job with their networks as well, perhaps through Facebook, LinkedIn or Outlook address books. Post the job to your own website and include information in newsletters or external communication vehicles. If this is a new position, use it as an opportunity to highlight your organization's growth and development.

External Posting: Broaden your reach beyond your inner circles by advertising the position externally. For most positions in most communities, gone are the days of placing a "want ad" in the local newspaper. These days, it is usually more affordable and effective to post positions on multiple online job boards like Idealist. Even so, a thorough online posting strategy may cost at least $500-700. In order to determine how to most efficiently spend your recruiting dollars, research the relevant job boards or publications where you would find similar postings. Ask colleagues and peers with similar roles where they would look for jobs. Find out which professional associations include people in the field and see if those groups have job boards or email lists. There are also job boards focused on geographic regions, job functions and cultural or ethnic groups. When evaluating opportunities, you should consider both the volume and the quality of likely respondents to a posting. Most hiring managers would rather have a smaller pool of qualified candidates than a larger pool of unqualified candidates.

Step 4: Setting Up a Screening Process

The goal of the screening process is to assess each applicant across consistent criteria in order to make the most informed and effective hiring decision possible. Determining the screening process in advance will help to ensure internal alignment and accountability among all those involved in the hiring process. Be sure to share all relevant materials with appropriate staff to ensure that everyone is on the same page and to make any necessary adjustments before beginning the following three common stages of a screening process.

Resume Screen: Before you review the first resume, determine what information you want to learn from the resume. Return to the job description and come up with a list of criteria you are looking for in a candidate. Now, cut this list down to include just those criteria that can be gleaned from a resume and cover letter. Use this list of criteria to create a Resume Screening Worksheet to complete for every application, noting whether or not each element is present and to what degree. Note that you can often learn something about a candidate's writing ability, organizational skills and attention to detail just by reviewing his or her application.

Phone Screen: We recommend a phone screen as the next step in the process. Because it is often difficult to decide from a resume who is a strong overall candidate, the phone screen allows the hiring organization to get more information about a candidate and his or her personality and background, without taking the time to conduct a full in-person interview. Figure out what questions you are going to ask and what answers might be ideal, adequate or unacceptable. Phone screen questions typically focus on skill fit, culture fit, and logistics (e.g. When would you be available to start?).

Interview: Use the in-person interview(s) to probe for information that you did not gain at earlier stages of the process. As with the phone screen, plan your questions in advance. Create questions that allow candidates to provide evidence of the competencies and character traits that will position them for success in the role. Also remember that candidates will be assessing your professionalism and the appeal of working in your organization, so always put a good foot forward in terms of preparation and welcome. Interviews should have a two-way transmission of information, so plan to share details and collateral with candidates that will sell them on the opportunity and prepare them for the role. It is also important that you plan, in advance, how you are going to communicate with candidates at each phase of the process. Draft "regrets" templates at the start of the search and plan for prompt notification of decisions to all candidates in the search process.

Every hour spent planning before a search will yield huge dividends throughout the process and in its end result. With this article as a guide, we hope that your plans will be thorough and that your hiring will be successful!

STRUCTURING ROLES IN THE HIRING PROCESS

An important aspect of any effective hiring process is the Role Structure, which refers to the people involved in the search and the roles that they play. Developing an appropriate structure for each search will ensure that the hire is made in accordance with the needs, values, and capacities of your organization.

In developing the structure, make sure that each of the following tasks is designated. Specifically, decide who will:

- Manage the overall process and design the tools and systems that will guide it
- Write the job description and posting
- Post the job and ensure that it is distributed widely to your organization's networks
- Provide administrative support such as tracking applications and scheduling candidate interviews
- Conduct the resume and phone screens and determine which candidates will advance
- Communicate with candidates promptly at each stage of the process, including notification of regrets
- Be involved in interviews and making final decisions
- Complete reference checks
- Make and negotiate the final offer
- On-board, orient, and manage the new hire

Generally, the people involved in these various stages include internal hiring managers, administrative support staff, and HR representatives, as well as possibly board members, funders and other external stakeholders. Determining who to involve in what ways depends on several criteria.

Seniority of the Position: Generally, the higher the level of the role, the more senior people will need to be involved in the search. For a CEO or Executive Director search, for example, it may be appropriate to utilize a search committee involving board members and other external stakeholders. For an entry-level position, it is possible (though perhaps not advisable) to have only the position's direct supervisor manage the search.

Style and Values of the Organization: Is your organization highly collaborative or are most decisions made by just a few people? Does your organization value input from various team members or is it more autonomous? If your organization values collaboration, then input from staff in any hiring process is probably important to consider, regardless of the level of position. Make sure not to diminish or frustrate any team members who were not asked to participate in the process.

Structure of the Organization: Does your organization have a human resources department? If so, what is its role in any hiring process? It may range from leading the entire process to only being involved in a sign-off for the final candidate. Similarly, does your organization have support staff? Many of the stages in the hiring process can be handled by strong administrative staff.

Availability: Finally, consider the availability of each of the people you are thinking about involving. Of course, in most nonprofits, everyone is already doing much more than their job description, but if you know that there is no way that one director will be able to dedicate the time to interviewing candidates for a particular position in the coming months, then there is no sense in including that person in the search structure. You want to make sure that the search will be able to progress quickly at each stage, with no roadblocks or bottlenecks. Here again, when an organization has administrative support staff available to support the search, senior leaders will be more highly leveraged in the process.

So, what are some options available to you? The following are several commonly used search structures:

Single Hiring Manager

In some cases, a single hiring manager will be responsible for almost all of the responsibilities in the search including recruiting, screening, interviewing, and decision-making. This model is particularly common in smaller or more resource-constrained organizations.

Typically, this individual is the person who will ultimately supervise the future hire, and as such, they have several valuable strengths in the process. Namely, they will be able to: understand the position in detail, sell the role as well as the experience of working with them as a manger, personally select the person with whom they will be able to best work, and form bonds with finalists even before the first day of work begins.

To manage a search effectively, however, a single hiring manager may need to carve out 1-2 hours every day over the course of 2-3 months for search-related tasks. It should be considered whether or not this is a realistic time commitment before beginning the effort. Whatever early adjustments need to be made, hiring is too important to entrust to someone who may not have the time, experience or commitment to ensure that the process is efficient in terms of time-to-hire, effective in selecting the right person, being respectful to all applicants and consistent in maintaining the organization's brand. Sadly, these risks are often only appreciated in hindsight.

In addition to owning the candidate-focused and public-facing aspects of the search, the hiring manager is also responsible for timely communication with other staff about the status of the search. This communication should be directed toward both senior management and fellow team members and will help to prepare the organization for the addition of a new staff member.

The benefits of this structure are that it can be efficient and that one person does not need to build a consensus decision to make a hire. These advantages are generally overshadowed by the structure's drawbacks, however, including the amount of work placed on one individual relative to that person's experience and capacity, as well as the lack of different perspectives and opinions in decision-making processes.

Hiring Manager with Human Resources Department Support

For organizations with a human resources department, a partnership between the hiring manager and the HR team can compensate for the disadvantages of conducting a single hiring manager search. This can make for an organized and professional process, although one that may also be more bureaucratic and present some “hurdles” for jobseekers to leap.

HR can participate in a variety of ways, including: (a) providing tools and advisory support, (b) managing the logistics of recruitment but allowing the hiring manager to conduct all screening, (c) managing the recruitment and screening and serving as a liaison between candidates and the hiring manager, and (d) having input in the final hiring decision and offer negotiation, which is particularly valuable to have led by a neutral third party such as an HR staffer. Candidates often appreciate the ability to negotiate offers with someone who will not be supervising them and who is well versed in the group’s compensation and benefit structures.

Board-Driven Search Committees

Board committees are typically comprised of five to eight people and can include various stakeholders such as management, staff, board members, funders, program participants and community members. This structure provides a lot of “buy-in” or distributed engagement in the process, as well as providing many people to shoulder the work of the search, which can be intensive. However, committees can also be unwieldy structures that are difficult to coordinate, manage and bring to consensus. For that reason, it is important to differentiate roles for different members and establish clear decision making parameters at the beginning of the search.

The committee is typically chaired by either the most senior person in the group, the person with the greatest knowledge of the position, or the person with the largest amount of general experience with hiring. It is the role of the committee chair to set the rules for the group and to make sure that those rules are followed, as well as to ensure that the search proceeds according to plan throughout the process.

Individual committee members or support staff may be assigned specific tasks such as overseeing postings, networking, resume screening, etc. You should decide at the beginning of the search whether or not everyone in the committee is going to review every application that comes through the pipeline. If a person or sub-committee is going to decide which candidates make it through initial screening, then those individuals should be completely aligned with the group’s expectations for screening criteria at the start of the process and empowered to make those decisions.

Since no two people will have the exact same vision for what an “ideal candidate” looks like, it is also essential to decide early on who will have the final say in the hiring decision, if the group is largely advisory to the decision maker, or if a majority vote rules the determination, etc.

Staff-Driven Group Process

For most hiring situations, a group structure will be most appropriate and effective. A group differs from a committee structure in that it is a less formal association that is generally made up entirely of staff as opposed to higher level external stakeholders. Like search committees, however, group hiring teams require a great deal of up-front planning and preparation, especially when creating systems and tools to facilitate the hiring process. For example, the group must decide how often it will meet, how it will debrief candidate interviews, what tools are required for assessing candidate information, and how it will come to decisions.

Groups may divide tasks, such as posting and sourcing, but may choose to collaborate on other tasks. Typically, each member of the group will be assigned different roles during the actual interviews, such as one person probing on skill fit, while another explores experience, and yet another pursues elements of personality fit with culture. This division of interviewing topics is useful when conducting a series of one-on-one interview with candidates, so that the jobseeker does not have to answer the same question over and over again.

In conclusion, the following chart provides a summary:

PROCESS	BENEFITS	CHALLENGES
Single Hiring Manager	• Single vision simplifies the process and decision making • Process can move quickly if hiring manager is organized and has the capacity to manage the effort • Hiring manager, often the future new hire’s direct manager, is able to understand the position, sell it to candidates, and personally select the person with whom they will best work	• Hiring can be too subjective to one person’s point of view about the ideal candidate and his/her role in the organization • One person is rarely able to make the commitment needed to ensure a truly effective process, which is often only understood in hindsight
Hiring Manager with HR Support	• HR expertise woven into the process ensures that the search is efficient and effective • Future direct supervisor can be relieved of the often uncomfortable final negotiation responsibilities	• Can slow the process and make it more bureaucratic overall • HR process can be seen as a “hurdle” to candidates who would rather deal with management directly
Board-Driven Committee	• Effective for high-level positions reporting to the Board • Generates widespread “buy-in” to the decision • Candidates gain diverse perspective about the organization by meeting a variety of stakeholders	• Requires significant time to manage and coordinate • Process can be slowed by the need for consensus building • Can be difficult to get to a shared vision for the process, ideal candidate or final hiring decision
Staff-Driven Group	• Multiple staff members bring diverse perspectives • More people available to divide responsibilities • Often allows for senior management involvement in final decision with limited other requirements	• Role of each staff member needs to be clearly defined and also communicated to candidates • Risk of alienating staff who are not involved • As above, can be difficult to get to a shared vision for the process, ideal candidate or final hiring decision

COMPETENCY-BASED HIRING AND TRANSFERABLE SKILLS

The term "core competency" is believed to have been introduced in 1990 by the Harvard Business Review to describe a specialized expertise that can be leveraged as a competitive advantage. Since then, the concept has been lent to a wide range of applications for defining key strengths and essential qualifications for performance. This article provides a brief overview of competency-based hiring and how nonprofits can best use this technique in the hiring process.

What is Competency-Based Hiring?

An individual's core competencies are generally grouped along two dimensions: (1) skills, knowledge and technical qualifications, and (2) behavioral characteristics, personality attributes and individual aptitudes. Traditional hiring practices have focused on systematically evaluating a candidate's fit with the first type of qualifications, while relegating insights related to the second type to "color commentary" and "gut instincts." A competency-based approach, however, includes a framework for analyzing a candidate's behavioral attributes as well as their technical experience. This method has dominated the literature over the past ten years as the recognized preferred approach to hiring. The process starts by identifying a full range of competencies required for success in a position and then evaluating each candidate's demonstration of those traits.

When considering the core competencies that might be required for success in a role, it is important to distinguish between position-specific and organizational competencies. Position-specific elements may include attributes of an individual's work style as well as personal qualities like being analytical, resourceful, flexible, or creative. Organizational competencies refer to the qualities and attributes that characterize success across an entire organization. These include fit with the organization's management style, risk tolerance, work pace and volume, employee demographics, and physical environment. Organizational competencies play a major role in determining what type of people will "fit" in an organization, regardless of their specific role. For example, a rigid and authoritarian manager is not likely to succeed in a highly entrepreneurial and collaborative nonprofit culture.

The following chart provides some further examples of position-specific and organizational competencies.

Compe-tencies	Development Director, Tutoring Organization	Program Associate, Youth-Outreach Organization
Position Specific	• Develop effective relationships with diverse constituents • Use innovation and creativity to create opportunities	• Motivate participants through ongoing support / dedication • Be aware of and stay connected to the community
Organ-ization Wide	• Focus on set goals and demonstrable results in all activities • Be entrepreneurial, take action, and show initiative	• Value every person, regardless of circumstances • Demonstrate personal self-awareness and be reflective

Competencies in Action

The first step in adopting a competency-based hiring model is to determine your organizational and position-specific competencies. To figure out organizational competencies, we recommend convening a focus group or implementing a survey to identify the top four or five characteristics and traits that typically make someone successful within the organization. Be sure to include all key stakeholders as appropriate, possibly including staff from all levels as well as board members, funders and other constituents. In order to determine position-specific competencies, you will want to employ a similar process, focusing on those who know the position best. Depending on your organization, it may also be helpful to define department-specific competencies for highly specialized departments such as finance or development.

After you have determined the competencies for a given position, use this information to inform all subsequent stages of your recruitment and hiring processes. For example, your job description should focus on the core competencies that successful candidates will demonstrate. In terms of recruitment, a focus on core competencies will lead to a broader candidate pool because you will be seeking professionals who possess the desired traits but who may come from a variety of non-traditional backgrounds.

Using core competencies to drive the screening and interviewing phases of the hiring process will provide valuable information on which to base hiring decisions. We recommend using behavioral interviewing, which refers to asking questions that require candidates to describe past experiences in which they were able to demonstrate specific competencies. Based on the premise that "past behavior predicts future behavior," behavioral interviewing has proven to be one of the most effective means of determining how each candidate has performed in certain types of situations and therefore how successful each may be in a certain role.

The Softer Side of Skills

In the nonprofit sector, so-called "soft skills," or personality-based competencies, play a big role in hiring decisions and management strategies. Knowing the soft skills that are most important to your organization allows you to consider candidates based directly on their personal qualities and abilities. Although desired soft skills vary between organizations, many nonprofits value:

- Being an entrepreneurial self-starter / self-manager
- Working effectively in a collaborative environment
- Being resourceful and creative in approaching projects
- Having a positive attitude and a sense of humor

To evaluate the presence of these or other transferable soft skills in potential hires, it may be helpful to follow two rules of thumb: stay open-minded and do your homework. Begin by thinking broadly about a candidate's past experience in work, school, and civic life. Research the companies listed on candidates' resumes to understand their past work environments. Many desirable soft skills are developed when working in start-up, fast-growing or highly creative work environments. When speaking with candidates, ask for specific examples of times they were called on to use a certain soft skill.

In addition to evaluating a candidate's transferable soft skills, probe on personal qualities that demonstrate a mission-fit with your organization. Not all candidates are going to come to you with extensive work or volunteer experience in your specific field, but that does not mean they do not possess the personal qualities required to connect with and embrace your organization's mission. Share as much information as you can (including brochures, videos, or other collateral) with strong candidates in order to give them a sense of the importance of your organization's mission and culture.

Transferable Hard Skills

Many career counselors advise nonprofit jobseekers, especially sector switchers and recent graduates, to identify and market their "transferable skills." But how open-minded are nonprofits when it comes to looking at candidates who offer skills and experiences gained in other sectors or environments? Organizations that consider themselves entrepreneurial are generally more open to hiring talent from other sectors or nontraditional backgrounds. For many organizations, candidates with transferable skills are welcome in some job functions, such as operations, management, and finance, but not in others, such as fundraising and program management.

It's common for nonprofit hiring managers to have a very specific picture of the hard skills required for a given role. A grant writer needs to have written grants before. Someone working in community affairs must have experience with the community being served. But what candidates might you be missing out on by not considering candidates with demonstrated success from different work environments? Some often overlooked skills that can be successfully transferred to nonprofit roles are:

Sales and Marketing: Skills learned and honed in these fields of the private sector can be easily transferred to the field of nonprofit development and fundraising. These candidates may be able to exhibit hard skills in building high-touch relationships, producing collateral, giving presentations and making pitches. People with sales experience, particularly those with a background in identifying prospects and cultivating relationships, can often make a smooth transition into fundraising with some basic support and guidance.

Writing and Research: Individuals with experience in journalism, corporate communications, and other fields that require strong analytical and writing skills can often leverage their transferable skills into other types of development and fundraising roles. Additionally, recent graduates from master of public administration (MPA) or master of public health (MPH) programs typically possess the research and writing experience needed to break into development.

Consulting: Management consulting experience is sought after in the nonprofit sector because of the analytical, research, project management, and client management skills that people with this kind of experience bring. Consulting experience transfers extremely well to roles in which professional services are provided to other nonprofit clients. Corporate partnerships, community outreach, and board relations are other roles in which consulting experience can be valuable. One challenge of transitioning from a management consulting (or other corporate) background to a nonprofit role is the shift from working for an internal client to an external one. For example, some management consultants work in the trenches of customer research but do not interact with clients face-to-face. When considering these candidates, probe their knowledge of and experience in client-focused environments and be prepared to connect these hires with mentors or other internal staff to support their transition.

Information Technology (IT): Thinking creatively about IT staff can yield great results for nonprofits. Administrative or operational professionals who have been responsible for technology and systems management in past jobs can easily transfer these skills to a nonprofit environment. Similarly, technology professionals who have been specialists in a large department or corporation, but who are seeking more autonomy and ownership of their work, also transfer well to the nonprofit sector. In addition to technology skills, look for customer service, teamwork, communication and soft skills.

Conclusion

Adopting a competency-based hiring model requires an investment of time and effort up front, but that investment is well worth the effort when you are making more appropriate and sophisticated hiring decisions. After the hire is made, core competencies continue to be useful in setting goals and positioning new hires for success, identifying areas for professional development, and making appropriate decisions about future promotions and raises.

Additionally, a candidate's past success using a specific set of skills and competencies is the best indicator of how he or she will perform in a new role. Whether a hire is new to a job function or to the sector, remember that this person's ability to call upon his or her soft and hard skills in a new role is what most ensures success. By considering candidates with a variety of transferable skills, you will diversify your staff and increase the impact of your organization.

For more information on competency-based hiring, we suggest the following resources:

- Hiring and Keeping the Best People (Harvard Business School Press)
- The War for Talent (Axelrod, Michaels)
- How to Compete in the War for Talent: A Guide to Hiring the Best (Hacker)
- The Talent Edge: A Behavioral Approach to Hiring, Developing, and Keeping Top Performers (Cohen)

AVOIDING 10 COMMON SEARCH PITFALLS

There are a number of ways that recruiting and hiring processes can go wrong, and hiring the right people into the right positions is too important to leave to chance. There are a number of common mistakes that can be easily avoided by utilizing some basic hiring best practices.

(1) Taking Shortcuts with Planning: Make sure that you have dedicated the appropriate amount of time to planning your search before beginning the process. Too often, organizations need someone hired "yesterday" and jump into the process by throwing a poorly developed job posting up on a random smattering of job boards. Instead, take some time to identify exactly what you are looking for in the role, make sure that all decision makers are involved at the outset and that all stages of the recruiting and hiring process have been outlined in advance. These steps will help you focus the search, keep it on schedule, ensure that everyone involved is aware of his or her role, and increase the chances of a successful hire.

(2) Defining Positions Poorly: It has been said that if you don't know what "treasure" looks like, you can dig in the sand all day without knowing whether or not you have found it. So too with searches, it is essential to fully think through the nature of the role and its responsibilities, as well as the experience, skills and personality of the ideal candidate. This structure should not prevent you from exploring "out of the box" candidates and reevaluating your initial assumptions throughout the search, but it will give you a consistent standard to which all candidates can be equitably compared.

(3) Searching for a "Unicorn": Whenever possible, define a position that is realistic and an ideal candidate profile that exists in more than a handful of people. Are you looking for a set of skills and competencies that often do not co-exist within one person? Recognize that if you go forward, your search may be challenging and may not lead to a successful hire without concessions being made. Consider recasting the position into something more realistic and test your job description with colleagues and peers to ensure that it is reasonable and clearly communicates the nature of the role.

(4) Setting Unrealistic Salary Constraints: Make sure that the salary range you have designated for the position matches the requirements and experience level you are seeking. Again, if you move forward with a misalignment in this area, such as looking for someone with 15 years of senior experience who wants to work full-time for $32,000; then your search may be slow and frustrating. Almost as challenging as low salary expectations are excessively narrow salary bands. For most searches, it is appropriate to have a $10,000 salary range for entry/mid-level jobs and a $20,000 range for senior roles. Going into a search with too narrow a budget may be a fiscal necessity, but it can also constrain your ability to consider a range of candidates and limit your room for negotiation.

(5) Making Insufficient Recruitment Efforts: It is best to use a broad variety of tools and resources to generate the largest and most diverse pool of candidates. Posting an ad to one or two job boards is generally insufficient. Make sure you tap "active" jobseekers through advertising as well as "passive" jobseekers through robust outreach to your personal and professional networks. A common mistake is to move in a gradual and staged approach, escalating efforts after initial postings have failed to produce results. It is best to be aggressive from the start and make a big splash with your hiring announcement.

(6) Losing Momentum: Recognize that searches follow a cycle and ensure that your search does not lose valuable momentum. There is usually a lot of energy at the beginning of a search, as staff members imagine bringing on great new talent and as initial postings bring an early rush of candidates. As the search goes on, however, people's energy may wane as your colleagues realize how much time a search can take and as the number of new candidates begins to diminish. It is the hiring manager's job to make sure that energy and results carry through until the successful completion of the search. This includes re-posting ads, re-mining networks, reviewing candidates efficiently and keeping the team informed.

(7) Lacking Respect for Candidates: Put yourself in your candidates' shoes and make sure that you are treating them in the way you would want to be treated at every stage of the process. Think things through from confirming application receipt, to the timing and nature of correspondence about their status and the process, to making offers and communicating regrets. Recruiting is a marketing opportunity as well as a means to a hire. Remember that for any given position, only 1 person will be hired, but the other 50-100 individuals could become donors, board members, community partners, or future hires for other roles. Keep all candidate information in a database if possible.

(8) Conducting Weak Reference Checks: Don't underestimate the power of reference checking. Too many organizations are so exhausted by the time they identify a strong candidate and are so anxious to "close the deal" that they overlook the incredible value of learning from others about their top candidate's past performance. It certainly can be frustrating when you learn that your top candidate is not going to be the right fit for your position, but it is much more advantageous, both emotionally and financially, to come to that conclusion before the hire is made than two or six months later. Remember also that advice from references can be helpful even as you work to on-board and manage new hires.

(9) Hiring at the Wrong Pace: Don't hire too quickly. It is important to resist the tendency to let your urgency to fill a position lead to an abbreviated process that lacks rigor and consistency. Similarly, don't hire too slowly. Make sure that your process moves efficiently through the different stages, and resist the urge to "hold out" for an even better candidate to come along. This latter strategy often leads to a prolonged or unsuccessful search. Knowing in advance what you are looking for and holding to those standards will help you identify a candidate who will meet your needs.

(10) Failing to Document: Be careful what you write down during a search, but maintain a confidential file of each candidate's application materials, the dates at which they moved through the different stages in the process, and the reasons why they were advanced or declined. This will help protect you in case of any allegations of inappropriate hiring practices, and also creates an invaluable resource of candidates for similar future searches.

Recruiting and Talent Pipelines

WORKING YOUR ORGANIZATION'S NETWORK AND RECRUITING 2.0

When an organization has an open position, it typically relies on advertising the job through traditional means, such as online job boards and newspaper classifieds. However, many organizations overlook the recruiting power of the personal and professional networks of their staff members, dismissing networking as too difficult, time consuming or foreign to them.

According to a study by the U.S. Department of Labor in 2001, however, almost half of all jobseekers (48 percent) obtain their jobs through referrals. Additionally, numerous reports indicate that between 60 and 80 percent of executive level positions are filled through networking or referrals, especially in the nonprofit sector. The ability to leverage and extend an organization's known relationships, as well as market its opportunities to jobseekers, is essential to making networking work as a viable recruitment source.

What's in a Network?

A healthy network is a well-tended network. To ensure that an organization's network will be available and effective when needed, it is important to define who is in that network. An organizational network consists of a varied group of people, all with some interest in or association with the organization. Networks are typically comprised of current employees and board members and all of their individual acquaintances, former employees, funders, community partners, peer groups, and other contacts that may have been developed.

Some organizations have larger networks and have done more to cultivate those groups than others. City Year, a national nonprofit that unites young people of all backgrounds for a year of full-time service, has one of the most engaged and active networks in the country. Although much of their hiring comes from within the organization, Elaine Mak, Director of Talent Services at City Year, commented in a recent interview with Commongood Careers that "a good portion of our external hires come from our network, through funders, friends and family, and other contacts... especially from friends of friends."

In addition to knowing who is in their network, it is crucial that organizations communicate with their members regularly. Keeping in touch with the members of a network, such as sending occasional emails with friendly updates and milestones, is important relationship maintenance.

Creating Your "Employer Brand"

Part of the ongoing communication with a network is sharing information that creates overall positive associations with an organization, including helping people to understand the exciting and attractive elements of working at the organization. Commongood Careers' study *The Voice of Nonprofit Talent in 2008* suggests that one way organizations can attract more talent is to create a distinct perception of themselves as an employer, essentially an "employer brand." Just as an organization has messages to communicate to funders, it needs to communicate positive information about itself to potential employees.

"We find that what attracts people to share our open positions with their networks is not necessarily any particular aspect of the position itself, but the overall message and reputation of the organization in general," Elaine Mak of City Year continued. "People will often select themselves out if they discover that City Year is not the right fit for them, but the people that do connect will find the right position eventually. Often they get that information through messages about what it's like to work here and what City Year values in its employees."

How and When to Network

There are many methods to reach members of an organization's network. Sending out information in newsletters and via e-mails are quick and relatively simple ways to blast out information about new positions. Getting in touch by phone or in person with key contacts can help an organization pinpoint prospective candidates or people who can connect the organization to strong candidates.

"The most successful networking we've found is still through word of mouth," Mak said. "We use our newsletter, especially our corps member alumni newsletter, to promote job openings, but most of the success we have in networking for hires has been reaching out to individuals and getting them excited about our positions."

There is no wrong time for an organization to start talking to its network about its hiring needs, even if it doesn't have current open positions. Sometimes the best connections take time to develop, so engaging people early and often can be important. That way, when the time is right to make a hire, an organization may already have a short list of potential candidates to contact.

Recruiting 2.0: Using Online Social Networking

Thanks to the proliferation of social networking websites (over 200 such sites have been developed over the past ten years), nonprofits can go online to grow their networks, promote their employer brand and connect with prospective employees. These sites have evolved into web-based communities of millions of people connecting based on shared interests and affiliations. Many nonprofits are establishing a presence beyond their homepage and are utilizing social networking sites to recruit talent and spread the word of social change. Because setting up and managing online networks merely require an investment of time, nonprofits can greatly benefit from this low-effort, low-cost and high-touch means of expanding their inner circles and reaching passive job candidates. Below are a few examples of the most effective social networking sites for recruitment.

Facebook*:* Founded in 2004 by a Harvard University undergraduate, Facebook allows users to create personal profiles and join networks based on shared affiliations such as universities, geographic regions, and organizations. Though Facebook originally targeted the college-age population, students now make up only half of all active users. Today, Facebook touts 67 million members and notes that users over the age of 25 are its fastest growing demographic. This trend is encouraging for organizations who are seeking more seasoned employees through this avenue. Facebook is also currently the fifth most visited web site in the world, with its users spending an average of 25 minutes on the site a day perusing profiles of their personal connections. These are engaged users who share information like job leads.

On Facebook, individuals and organizations create personal profiles to which other Facebook members can then connect. For example, Commongood Careers' fan page on Facebook is entitled "Will Work for Social Change" and we would love for you to become a member of our network! As a nonprofit that operates a person-to-person micro-lending program, Kiva has also greatly benefited from having a Facebook profile. Kiva's page includes basic information about their organization such as its mission, logo, and URL. On its page, Kiva invites Facebook members to add themselves as a "fan." On one day, the author of this article became Kiva's 3,927th Facebook Fan, and by the end of the week, Kiva's total fans numbered 4,912 members. By joining in this way, fans are then able to share Kiva's page with their personal Facebook contacts. This viral networking spreads the word about Kiva's work through like-minded networks.

As demonstrated by Kiva, organizations can significantly grow their networks by using Facebook. Having a Facebook profile communicates to today's jobseekers that an organization is nimble and responsive to current trends. Additionally, extending an organization's network using Facebook can help when hiring. For example, an organization can post its open positions on a page that is instantly viewable to literally millions of users. Furthermore, an organization can search member profiles to identify and reach out to prospective candidates or to glean more information about those who have applied to a position at their organization.

LinkedIn: One of the most widely used social networking web sites for nonprofit professionals is LinkedIn. Members create profiles that summarize their professional accomplishments, which can then be used to find and be found by "connections," such as current and former colleagues, clients, partners, and schoolmates. Your network consists of your connections, your connections' connections, and the people they know, linking you to thousands of other professionals. The site also features a job board where members post open jobs at their organizations, as well as "LinkedIn for Good," a section within the site created to promote positive social change.

Prior to LinkedIn, second and third degree connections to people were often undiscovered. Knowledge of these indirect connections can be extremely valuable when hiring and sourcing candidates. Instead of applicant pools of complete strangers, hiring organizations can first tap their colleagues' networks for potential jobseekers. These jobseekers can then be recommended through trusted colleagues. In this way, LinkedIn can also be a source for "off-book" references.

For recruiting and sourcing, Commongood Careers uses LinkedIn regularly. When launching a new search, we often post job descriptions on LinkedIn, as well as browse our personal connections to identify strong candidates. To date, we have found hundreds of candidates and new connections through LinkedIn. As a result, we have been able to maximize our ability to connect with people within our spheres of association. Commongood has also created a group on LinkedIn that we encourage you to join as an example of how to leverage such groups within your network.

Doostang: Founded by two alumni from Stanford and MIT who wanted an easy way for their friends to share job information, Doostang is an invitation-only online career community of over 400,000 members. Members use Doostang to share relevant career opportunities, as well as to interact through groups and forums. Describing itself as an "exclusive online career community that brings together the world's most talented minds and the world's leading employers," Doostang's greatest asset is its membership of individuals from prestigious universities, companies, and other affiliations.

Doostang can be a highly effective tool for advertising new positions and sourcing candidates. Individuals from hiring organizations can create a personal profile and/or a special practice group on Doostang. By creating a group, users can post open positions, as well as invite other Doostang members to join the group. Remember, Doostang is invitation only, but if you are interested in joining, Commongood Careers has created a special practice group on Doostang, entitled "Careers in the Social Sector." If you are interested in this group, send an email with the subject "Request to join" to cgcareers@doostang.com.

Conclusion

Nonprofit networks can provide powerful resources for generating leads, soliciting support and finding jobseekers to fill almost any type of position. The most important first step is to map out and identify your network so that you can be strategic about how you tap into those connections on an ongoing basis. Direct one-to-one contact by email, phone or in person is still the strongest way to build deep and lasting relationships, but a new generation of online social networking sites are creating low-cost, low-effort means of reaching millions of people through passive outreach and viral networking. These sites put your network to work and help you to substantially broaden your reach. New sites, such as the exciting launch of Change.org and others, are being developed regularly, so make sure that your organization stays on the cutting edge of this recruiting revolution.

COMMUNICATING YOUR ORGANIZATION'S CULTURE TO JOB CANDIDATES

In our conversations with nonprofit hiring managers, we constantly hear how cultural fit is one of the most important criteria for hiring. A challenge for some nonprofits, however, is to realize that such considerations are just as important to jobseekers and that organizations need to be intentional about communicating their cultural elements throughout every stage of the hiring process. If done correctly, a hiring process can genuinely and effectively reflect an organization's distinct personality and values.

Attributes of Organizational Culture

Organizational culture is characterized by the attitudes, experiences, beliefs and values of an entire organization. In the social sector, an organization's culture is closely tied to its mission and programs. The attributes of an organization's culture can be tangible, such as dress code, or intangible, such as shared values. When trying to describe your organization's culture, think about some of the following questions:

- *Mission Connect:* How important is it that every employee be highly committed to the mission? How do individual staff members demonstrate that commitment and contribute to advancing the mission?
- *Leadership/Management Styles:* How is the staff managed? Is leadership a core value of the organization? How are decisions made and problems solved? Is the process collaborative or more individually driven?
- *Reporting Structure:* What does your organization chart look like? Is your organization hierarchical or flat?
- *Language and Communication:* Is there internal language used and understood only by staff? Are there specific terms or key messages in external communication? How would you describe your group's communication style?
- *Physical Work Environment:* Does your organization have offices, cubicles, or open workspaces? Are there common areas like reception, a kitchen, or a lunch room?
- *Staff Diversity:* Is diversity of backgrounds, experiences, or beliefs important to your organization? Why? Is it essential that staff share racial, ethnic, or economic backgrounds with the communities you serve?
- *Interpersonal Dynamics:* How does the staff interact? Is the mood structured, intense, impersonal, collegial, etc.?
- *Titles:* Are staff titles important? How do titles affect the way employees perceive their own role and others?
- *Traditions and Celebrations:* How does your organization acknowledge personal successes and milestones? What social events are institutionalized?
- *Work Pace:* Do staff work at a fast, moderate, or leisurely pace? How would you describe their work/life balance?

It is important to think through the various attributes of your organization's culture before launching your search. To find examples of how cultural aspects are demonstrated, look to existing materials, such as annual reports, grants, and marketing collateral. Speak with staff across the organization and probe their opinions about the questions listed above. Observe the physical and interpersonal environments. Most importantly, look to how your organization's mission and values are (and are not) translated across the overall culture.

Communicating Your Organization's Culture

Communicating aspects of your organization's culture begins well before you meet a candidate in person or they observe the organization firsthand. There are opportunities to share information about your organization's culture at every stage of the hiring process. For example:

When developing a job announcement or posting:

- Include your full mission statement in the introduction or footer.
- Offer an explicit description of the organization's culture and/or values, such as, "We work in a collaborative, team-based environment. There are no private offices in our space and camaraderie is a value shared among all staff."
- If being results-oriented is an important aspect of your organization's culture, share statistics of program successes or other results.
- When listing job requirements, use language that mirrors specific values such as "Collaborate with…" or "Produce results on…"
- When listing candidate qualifications, include specific values or competencies that you are seeking, such as "entrepreneurial" or "flexible."
- If diversity is an attribute of your organization's culture, make sure that is communicated throughout the job posting. At the very least, include your organization's "equal opportunity employer" statement.
- When posting the position, choose channels that reflect your organization's culture whenever possible.

When interviewing candidates:

- Use a manner of outreach that reflects your organization's communication style. Some groups use rigid form language while others use more a more casual and informal approach. The most important thing is consistency to your brand and culture.
- Reflect your organization's culture in your office décor, particularly in the reception area. Display photos, annual reports, constituent artwork or other collateral material for candidates to peruse while waiting.
- Conduct the interview at the location where the new hire will work, such as in the office headquarters, field office, or program sites.
- Probe on candidates' fit with your organization's values in interview and follow-up questions, but be careful not to "lead" candidates. For example, to probe on the value of teamwork, inquire about their past experience working in collaborative environments, including asking about the challenges that they faced.

- Share candid information about work/life balance, work pace, and other realities of the environment.
- Give or lend videos, marketing collateral, or other materials to candidates for them to take home.
- Practice what you preach. If you pride yourself on being a friendly organization, give candidates a warm welcome and introduce them to other staff. For organizations that value metrics and results, consider sharing important organizational data, strategic plans, evaluations, etc.

When conducting interview follow-up and extending offers:

- In the period following the interview, consider inviting high-level candidates to staff meetings and/or external events such as fundraisers or gatherings, if possible.
- If they haven't already done so, allow candidates to visit program sites or other places where your services are delivered. Even for non-program roles, it can be very helpful for candidates to see programs in action in order to get a better sense of organizational values and culture.
- If candidates are returning to the office for additional interviews or meetings, schedule some informal time for the candidate to spend with other staff. At the very least, allow the candidate to meet his/her direct reports or peers if this didn't already occur.
- When making an offer, present the offer in a style that reflects the culture. And when communicating regrets to denied candidates, make sure you do so in a way that reflects respect for others.

Case Study: Massachusetts Public School Performance

For Massachusetts Public School Performance (MPSP), an educational nonprofit that helps school leaders use real-time data to improve instruction and increase student achievement, the ability to produce results sets the tone for its organizational culture.

"Our culture is results-driven," said Client Program Officer John Maycock in a recent interview with Commongood Careers. "Our school-clients place high performance demands on their students and expect to see results. We try to set the same expectations for our staff."

To communicate these attributes of its culture during the hiring process, MPSP starts with the job description. "When we write each job description, we make sure to clearly state the results-driven nature of our organization. This is the most important aspect of our culture for applicants to understand," said Maycock. In addition to focusing on results, he describes the organization's culture as "growth-oriented, team-driven, and non-hierarchical."

Each job description tries to convey the teamwork and non-hierarchical aspects of the culture by listing responsibilities such as "work on multi-functional teams across the entire organization" and "collaborate with all staff on projects."

During the interview stage, MPSP involves the entire team in the process. "It's important for everyone to get a sense of the candidate and vice versa," noted Maycock.

The interview also includes direct questions posed to the candidate about their experience in results-oriented, deadline-driven environments. Candidates are asked to talk about scenarios that demonstrate their ability to handle multiple projects, meet deadlines, and deliver results. In turn, the interviewers try to be as transparent as possible about the results-oriented aspects of MPSP's culture. Candidates are given access to growth plans, and challenges and successes are shared. "The interview process is not only about evaluating the position-specific and overall cultural fit of the candidate, but also helping the candidate understand as much about our organizational culture as possible," explains Maycock.

In the period from extending an offer through on-boarding the new hire, MPSP makes an effort to continue to make their organizational culture transparent and accessible. Top candidates are matched up with staff and encouraged to schedule informal conversations. When a new hire comes on board, they are given an outline of workplace expectations and are also integrated into the team from day one.

As Maycock put it, "We expect our staff to be integrated into our results-driven and solution-oriented culture from the get-go. Making them feel part of the team helps to promote that organizational expectation of high performance and results, a quality which characterizes our entire culture, our clients, and the students we serve."

THE NEW ENTRY-LEVEL: HIRING FROM LEADERSHIP DEVELOPMENT PROGRAMS

Nonprofits hiring entry-level talent often face a difficult "Catch-22" situation as they need people looking to enter an organization on the ground floor, but also want candidates who bring relevant professional experience to the table. This reality is a frustration for first-time jobseekers as well.

For organizations seeking entry-level candidates who possess demonstrated experience, graduates of year-of-service and leadership development programs can present a well positioned talent pool. Candidates coming out of these programs have been tested in challenging environments and generally come out of their service impassioned and committed to the social sector. Because of the skills and experiences that participants in these programs gain, more organizations are looking to leadership development programs as "the new entry-level".

This article will discuss a few of the major leadership development programs serving the social sector, as well as share some real-life examples and recommendations for how organizations can leverage this unique talent pool.

What's Out There?

There are hundreds of nonprofit leadership development programs currently operating in the United States and they vary widely in their scope and programming. This article will focus on the programs that the team at Commongood Careers has found to be the most valuable talent sources for a range of nonprofit hiring needs. As illustrated in the chart below, these programs offer emerging nonprofit leaders practical experience in areas like community development, education, consulting and management while also providing organizations with talented candidates who are committed to the sector.

Program	Description
AmeriCorps	AmeriCorps is a national, year-long opportunity for people of all ages and backgrounds to serve through a network of partnerships with local nonprofit groups. Participants in AmeriCorps, VISTA and NCCC aim to build leadership skills while serving communities.
City Year	City Year offers young people aged 17-24 a year of full-time service in the community, giving them the skills and opportunities to change the world. City Year members serve in one of 17 cities in the US.
Coro	Coro offers recent college graduates an experiential approach to leadership development by placing fellows in a series of internships in government, media, corporations, unions and nonprofits. Fellows are also trained to develop interpersonal and decision-making skills.
Education Pioneers	Education Pioneers offers summer internship opportunities to graduate students across the entire urban education ecosystem. Through professional networks, positive role models, and powerful learning experiences, pioneers develop into effective leaders.
New Sector Alliance	New Sector Alliance is a social enterprise consulting firm with a dual mission to accelerate social change by strengthening organizations today, while developing leaders for tomorrow. New Sector offers full-time, part-time and summer opportunities for students.
Peace Corps	Peace Corps volunteers serve 74 different countries in a two-year volunteer commitment to work with local communities on projects in the areas of education, youth outreach, community development, the environment and information technology.
Public Allies	Public Allies identifies talented young adults from diverse backgrounds and prepares them for careers working for social change. Allies serve 10-month, paid apprenticeships at local nonprofits and participate in rigorous and rewarding leadership development.
Teach For America	Teach For America corps members are a talented group of recent college graduates and professionals who are placed as teachers in the nation's most poverty-stricken school districts. Corps members represent a diversity of academic disciplines and backgrounds.

Achievement First: Tapping into Alumni Networks

Achievement First is a charter school management organization started in July 2003 by the leaders of Amistad Academy, a high-performing charter school in New Haven, Connecticut. As a nonprofit, Achievement First is creating a network of achievement-gap closing charter schools in Connecticut and New York to bring to scale the dramatic, life-changing student achievement results produced at Amistad Academy. Achievement First currently operates 12 schools and has plans to open 1-3 schools per year over the next several years. Over the next decade, Achievement First will support 25 schools serving over 7,000 students.

With such rapid and successful growth, Achievement First looks to hire high-performing individuals with experience in education. Achievement First recruits teachers and school leaders as well as internal management staff. Whether the position is school-based or in the management team, Achievement First actively recruits seeks out alumni from programs such as Teach For America, Education Pioneers and the New York Teaching Fellows program.

Maia H.M. Levner, Achievement First's Vice President of Talent Development, strongly believes in the value of these programs. "Teach For America, the New York City Teaching Fellows, and other like-minded organizations bring in talented individuals who may not have been originally drawn to the field of education. We value the past leadership experience and accompanying results that these candidates bring, as well as their zeal and passion for closing the achievement gap in this country. Our Teach For America alums in particular come in hungry for a district that values data-driven instruction. They also hold themselves to a high bar of excellence for student success, and it comes out in every part of their interview process. In addition, Teach For America and alums of similar programs bring a passion for social justice, and they wholeheartedly believe that this is the most important work they could be doing for our country."

To date, Achievement First has hired over 100 Teach For America alumni into teaching and leadership positions, and looks to tap into more leadership development alumni networks in their future recruiting efforts.

Life After Peace Corps: Thomas Peng's Story

Thomas Peng joined College Summit, a nonprofit that prepares low-income students for the college admissions process, as a Senior Application Support Analyst. Three months before accepting this position, Peng was finishing two years of service with the Peace Corps in the Philippines as an Information Communications Technology volunteer. Peng views his Peace Corps experience as a powerful form of professional development.

"Professionally, I wanted to work in an unstructured environment and succeed despite the various challenges. I learned to develop assets in a community rather than focusing on its deficits. I also discovered that from an outsider's perspective many things may seem broken, but you have to also focus on what works well. You should improve on the things that work well so that you can grow. If you stop to fix everything and make it perfect, you will stunt your growth. You must also listen to the people and get their thoughts and input and let them drive the change they want in their community. Patience, perseverance, careful observation, and the ability to truly listen to others are invaluable skills that I learned during my service as a volunteer."

In Peng's opinion, the Peace Corps was integral to his successful transition into the nonprofit sector. "My experience in the Peace Corps demonstrated to College Summit my commitment to working in the nonprofit world and gave me experience in education. I worked for four years in the private sector before joining the Peace Corps, and my Peace Corps experience demonstrated to nonprofits that I was serious about working in the sector. I had dedicated two and half years of my life to serving as a volunteer. Also, prior to Peace Corps, I had never worked in education. Because College Summit works with teachers and students, my ability to understand the challenges of teaching and common issues in education aid me in my daily work. With the experience and background from Peace Corps, few would doubt my dedication to this field."

Recommendations to Hiring Organizations

In closing, the following are suggestions for how nonprofits can leverage leadership development programs to source talent:

(1) Seek out advice from others: If your organization has not actively recruited talent from leadership development programs, chances are someone in your professional network has. Activate your network and speak with a contact at an organization with connections to alumni from leadership development programs. Ask them what is unique about these alumni and how they go about sourcing these candidates.

(2) Gain access to alumni networks: Gaining access to a database of program alumni can be an extremely effective tool for candidate mining. For example, Teach For America keeps extensive databases of Teach For America alumni in an effort to track their career progressions and communicate with them about job opportunities. Building an organizational relationship between your organization and a leadership development program can lead to a stronger flow of talented applicants. At the very least, many of the larger programs are now allowing hiring organizations to post jobs to their alumni through newsletters and websites.

(3) Partner with local programs: Look to local programs that offer leadership development fellowships and place participants directly at hiring organizations. For example, New Sector Alliance in Boston operates a year-long fellowship with a dual mission "to accelerate social change by strengthening organizations today, while developing leaders for tomorrow." In particular New Sector's Residency in Social Enterprise offers the skills and talents of twenty young professionals to twenty local organizations for a year-long fellowship. According to Kristi Komendant, a Program Manager at New Sector Alliance, "the value proposition for nonprofits is that they find the talented individuals who will help forward their work. It is an effective program because it gives them the opportunity to hire on a specific initiative that they might not have the capacity to hire for more than one year." Additionally, a report by Nonprofit Congress entitled "Nonprofit Leadership: A Sample of Networks, Fellowships and Workshops" is a great resource for regional leadership development programs operating in a wide range of communities across the country.

(4) Devise guaranteed placement programs: The Presidential Management Fellowship program has been providing career development for emerging professionals in the public sector for over 30 years. One of the reasons why the Presidential Management Fellowship received 4,000 applicants in 2007 is because upon completion of the program, fellows are guaranteed employment in governmental departments at a pay grade above entry-level. In the nonprofit sector, organizations with similar missions could band together and create coalitions of guaranteed placements. Removing the question of "what next" for program alumni could result in an influx of talent to the sector.

THE CASE FOR MBA'S IN THE NONPROFIT SECTOR

The Aspen Institute, in its 2008 publication "Beyond Gray Pinstripes," reports that over 30 percent of the 112 schools of management surveyed offer a special concentration focused on social and environmental issues. Additionally, coursework and academic research on social and environmental issues has increased dramatically in the past few years. Even with increased access to such curricula, Net Impact, a nonprofit that helps business school students use their skills for social impact, reports that only six percent of MBA graduates plan on pursuing careers in the social sector.

What will it take to get more MBAs into the social sector? Is there a demand for these types of hires? This article describes the success that two organizations have found in hiring MBAs and outlines some of the challenges associated with hiring MBAs as well as some strategies for overcoming such challenges.

Nonprofit Finance Fund: MBAs are Essential to Programming and Organizational Culture

Catherine Gill at the Nonprofit Finance Fund (NFF) believes that hiring MBAs into nonprofit positions creates a valuable win-win proposition. As the current Director of NFF Capital Partners and former Director of NFF New England, Catherine has overseen teams that deliver financial and advisory services to community-based nonprofits. An MBA herself, she sees the unique perspective and skills MBAs bring to nonprofits.

"MBAs bring hard skills like financial know-how to NFF, but that's not all," Gill said in a recent interview with Commongood Careers. "They also bring a really sharp understanding of teams and how to access resources that aren't always obvious. The MBA degree is incredibly broad and teaches people how to approach problems from different angles."

In addition to offering business savvy, MBAs can impact an organization's culture in positive ways. "As a result of having MBAs on staff, our culture is more operational and streamlined. There's an organization-wide emphasis on efficiency. Our culture values processes and understands how they can help us more efficiently fulfill our social mission."

Gill describes that one of the biggest draws for MBAs at NFF is the intellectual stimulation of the work. The advisors and analysts at NFF deal with complex business problems on a daily basis, ranging from securing funding for large-scale capital projects to helping nonprofits understand the impact of their finances on program outcomes. According to Gill, the sophisticated nature of this work requires "people with good degrees…strong educational backgrounds who understand the value of the work we do, as well as understand why this work is interesting and satisfying."

Center for Effective Philanthropy: MBAs Bring Analytical Skills

Kevin Bolduc is Vice President of Assessment Tools at the Center for Effective Philanthropy (CEP), a nonprofit that provides management and governance resources to define, assess, and improve foundation performance. Overseeing the design of new tools and the refinement of CEP's suite of current assessment offerings, Bolduc depends on the analytical expertise that MBAs bring to his team's work.

"The MBAs on our staff help round out our core competencies. Some staff members bring a deep understanding of philanthropy to our work, while others possess research design expertise. The MBAs on staff complement our institutional knowledge with razor sharp quantitative and analytical skills, as well as performance assessment experience," said Bolduc.

Bringing a sophisticated understanding of analysis to understand foundation performance is just one asset of having MBAs on staff. Bolduc also explained that being able to quickly understand their clients is a critical piece of their work, which he finds MBAs are prepared to do. "We focus on the largest philanthropic funders, which are sophisticated and complex organizations that face unique challenges. MBAs possess the ability to develop strong relationships and communicate with these organizations effectively about their program performance."

Additionally, MBAs are prepared for internal organizational change and growth. Bolduc said that "the MBAs on staff help us maintain and develop processes and structures that allow us to grow quickly. They understand that a nonprofit is more than just running programs. It's also about management, leadership, and scalability."

Bolduc believes that more and more nonprofit opportunities are opening up to MBAs, largely because of the growth of the field of social entrepreneurship. "MBA skill-sets are more relevant than ever. Looking at social problems through an analytical lens is becoming the norm for nonprofits, particularly as foundations and nonprofits hold themselves more accountable for producing quantifiable results. MBAs bring a complementary skill-set to those taking more traditional paths into the sector, and together these skills build a stronger and more accountable social sector."

The MBA Hiring Challenges and Solutions

While some nonprofits have been successful in attracting, hiring, and retaining MBAs, there are also several key challenges involved, including:

Compensation: While there is some truth that nonprofit employers cannot match the market salaries MBAs expect to earn, more and more nonprofits are realizing that they may need to pay a higher salary or offer a signing bonus to secure MBA talent. In many instances, a salary of $75,000 is considered to be a baseline for MBA grads in major cities who have limited work experience (less than five years) outside of college and graduate school. Compensation levels are higher for those with more work experience in addition to the degree. In response to the discrepancies between nonprofit and corporate salaries, many universities are now offering funds to help match a portion of a nonprofit's salary or to offset student loans for those who pursue nonprofit careers. In cases where higher salaries are not possible, nonprofits can offer other forms of compensation that may be appealing to MBAs, such as greater management responsibilities or more senior titles than a recent graduate would receive at a for-profit company.

Visibility on Campus: On-campus recruiting is a costly and resource-intensive effort even for corporations like investment banks and management consulting firms. Because most nonprofits cannot afford to participate in on-campus recruiting programs or form relationships with MBA career development offices, graduating MBA students don't have access to information about nonprofits and therefore often don't consider the option of working in the social sector. Nonprofit career fairs organized by campus social entrepreneurship clubs or organizations such as Idealist and Net Impact have successfully created more visibility for nonprofit career opportunities among MBAs. Online social networks and major print media coverage can also help to raise a group's profile with this group. Still, nonprofits need to make and seize more opportunities to present their organizations to MBA candidates and to develop relationships with career development officers who can present nonprofit opportunities to graduating students.

Timing: Typically, graduating MBAs begin their job searches in the fall of their second year, when for-profit companies are doing on-campus recruiting, and most have secured offers by the January-to-March timeframe. Since most nonprofits do not plan their hiring that far in advance, and even socially dedicated jobseekers get nervous by March when all of their friends have jobs but they do not, the nonprofit sector generally misses out on almost all MBA hiring opportunities. One solution is for nonprofits to consider planning ahead for 1-2 key positions a year for which recent MBA graduates would be ideal. Then, structure the roles for January hires and June start dates while advertising the roles to graduate school networks.

Internship Opportunities: According to Harvard Business School, more than 30 percent of last year's MBA graduates went on to full-time positions at the companies where they held internships the previous summer. There are some opportunities for prospective MBAs to intern at nonprofits, such as through Education Pioneers and New Sector Alliance, but the overall lack of formalized programs within organizations and the sector at large limits this form of early recruiting of MBAs. Summer internships may easily be paid or unpaid, and an increasing number of universities are offering to cover a summer stipend for students who wish to work in the social sector. The largest challenge for nonprofits is to structure a highly valuable and engaging role for a well educated student that can be started and completed within 2-3 months. If internships are not possible, nonprofits can engage MBA students early through other programs like Wharton's Nonprofit Board Leadership Program, which places MBA students on local nonprofit boards.

Cultural Expectations: Because of the relative lack of information about nonprofit careers presented in business schools, MBAs may carry some misconceptions about what it is like to work at a nonprofit (i.e. they are disorganized, have no internal systems, and do not follow business best practices). On the flip side, nonprofits may be skeptical about an MBA's ability to fit into their organizational culture. Nonprofits need to share as much as possible with MBA students and career development officers about the work of the sector and the opportunities available for MBAs. In addition, organizations need to ensure that their culture is clearly communicated throughout all materials, including their web site and job postings.

The good news for nonprofits is that it is possible to overcome all of these and other challenges in hiring MBAs. It just takes commitment, creativity and flexibility. This investment will pay off as securing talent with strong business knowledge and analytical thinking skills can deeply impact an organization's effectiveness, efficiency and scalability in pursuit of its mission.

Managing and Retaining Talent

Best Practices for Employee On-Boarding

Imagine it's your first day at a new job. You arrive at an office where no one seems to be expecting you. After locating your workstation, you realize that no one has shown you how to log into your computer or get an outside line on your phone. You do not have a clear idea of what you are expected to do first in your new job. Your supervisor is nowhere to be found, and you are starting to question your decision to accept this position.

As the above scenario suggests, an organization never gets a second chance to make a first impression with its new hires. Investing in employee on-boarding ensures that an organization is prepared for and committed to positioning its new hires for success in their roles.

Effective employee on-boarding serves three interrelated purposes. First, it ensures that the new hire feels welcomed, comfortable, prepared, and supported. In turn, this leads to the new hire's ability to make an impact within the organization, both immediately and over time. Finally, employee success leads to satisfaction and retention, which allows the organization to continue to meet its mission.

In order to position a new hire for success, it is important that an organization prepares in advance and continues to support a new hire throughout the first several months (and beyond). This article explores some established best practices for employee on-boarding procedures.

Before the First Day

Preparing for a new hire's start date is the first step in ensuring effective on-boarding. Start by completing an agenda for the first week on the job. As part of the agenda, schedule times for the new hire to meet with key staff members.

Provide staff members with the new employee's resume and job description, and advise them to follow a meeting format that includes sharing a description of their own position, how their role interacts with that of the new hire, and how they might expect to work together in the future.

This is also a good time to assign a mentor or buddy to the new hire as an immediate resource for any questions, help them build a network, educate them on resources, and give key information about organizational culture and goals.

Next, create a comfortable workstation for the new hire. Stock his or her workstation with the tools needed to hit the ground running, such as paper, pens, computer, phone, keys, and business cards. Make sure that voicemail and email accounts are set up. Leave a copy of an organization chart, staff list and phone directory on the new hire's desk. If your organization has an employee handbook, leave this on the desk as well, along with all administrative forms such as employment, direct deposit, and benefits so that they will be ready to be completed on day one.

To really impress new hires on their first day, add any branded collateral that you can spare such as a logo backpack, hat, pen, tee-shirt or mug to your new hire's new desk.

Finally, make sure to communicate with your new hire before the first day to confirm logistics such as driving directions, parking, public transportation, expected arrival time, dress code, plans for lunch on the first day, person to ask for on arrival, etc.

The First Day

The first day of a new job can rattle the nerves of even the most experienced professional. The better prepared you are to welcome the new hire on his or her first day, the easier this transition will be for everyone.

Schedule a particular staff member to be available to greet the new employee and give an office tour. During the office tour, introduce the new hire to all staff members as well as pointing out the copy machine, mail room, employee mailboxes, lunch room, and restrooms. Remember that new hires are asked to absorb a lot of information in a short amount of time, so encourage them to take notes and expect that they will have questions about these things later.

Balance the first day schedule between orientation, meetings, and less formal gatherings. If possible, arrange for the new hire to be treated to lunch on the first day by a group of staff members.

Schedule a meeting with the employee's supervisor for the first afternoon. During this meeting, the supervisor should review the responsibilities of the position and give an overview of what the first 30-90 days in the position will look like.

The First Week

While the first day entails presenting basic information to the new hire, the first week focuses on setting expectations and developing relationships with staff, particularly the supervisor of and any direct reports to the new hire.

During the first week, the supervisor and new hire should meet to discuss desired management style and information about typical processes, such as how decisions are made. This is also the time to begin the most important aspect of on-boarding, which is setting expectations about deliverables, timelines and performance metrics. It is essential that such plans and goals be clearly communicated at the outset of the relationship in order to position a new hire for success in his or her role. The two most common errors when on-boarding new employees are: (1) expecting higher performance and faster learning curves than is reasonable, and (2) leaving employees to wonder what they should be doing and what is expected of them by their new managers.

If the hire is in a supervisory role, also ensure that he or she meets with any direct reports one-on-one and as a group within the first week. These meetings will help build the new team and allow the new hire to get a sense of the work style of each team member.

It is also important for the new hire to interact with other staff members who may not be on his or her immediate team. Schedule at least one meeting per day with different staff members. This gives the new hire time to learn about the whole organization from many different perspectives and to create new relationships with key staff members.

In addition to interacting with internal staff, if it is appropriate for their role, ensure that the new hire is scheduled to meet in person with any necessary partners, funders, Board members or other constituents within the first month. Encourage new hires to notify their personal and professional contacts of their new role, thereby providing a marketing opportunity for your organization.

The First Three Months and Beyond

The output expectation for the first week should be nominal so that the time can be most effectively used for learning and settling in. During the first month, it is traditional to expect modest deliverables in which the new hire can learn by doing and be positioned for success and confidence building. By the end of the first three months, the new employee should be getting up to speed and should be expected to be evaluated on a normal workload.

After 90 days, have the supervisor provide formal feedback on the new hire's performance, while also soliciting feedback from the employee. Depending on the organizational culture and policies, this meeting could involve a representative of the human resources department. During this meeting, any issues should be addressed and all parties should be confident that the new hire is poised for success in their role.

Remember to build opportunities for feedback into the on-boarding process. Encourage the new hire to note any ideas that they have for improving the operations, strategy, or culture of the organization. The new hire may or may not feel comfortable sharing these immediately, but it is important that the organization be open to the impressions of someone with fresh eyes.

Throughout the first three months, stay mindful of opportunities to integrate new hires into their work groups and into the organization as a whole.

Conclusion

Although all of these steps require an investment of time and resources, it is an investment whose cost / benefit analysis is clear. The potential downsides of failing to effectively on-board an employee include that individual's failure in the role, potential embarrassment to the organization, resignation or termination, and a new hiring process with an estimated total expense to the organization of three times the position's annual salary. On the positive side, implementing these suggestions will increase employee satisfaction, speed of getting to full performance levels, quality of ultimate performance, and long-term retention in the role. Effective on-boarding is also a fantastic way to show all of your employees that you value their happiness and want them to succeed.

RETHINKING BENEFITS FOR NONPROFIT EMPLOYEES

Benefits are a key factor when jobseekers evaluate potential opportunities. Even though budget constraints often dictate a ceiling on nonprofit salaries, a competitive and robust benefits package can be an effective way to attract talent and retain employees. This article highlights a few ways that organizations can rethink the benefits they extend to their employees, especially during difficult economic times.

Engage Staff as Stakeholders

Start by engaging your employees in the decision-making process. A great way to arrive at a benefits package that will be most valued by your employees is to bring them into the discussion about benefits. Involving them in these conversations makes it clear that you are serious about providing the best possible benefits while also balancing the organization's available resources. If benefits that employees want are too far out of reach, be honest about it and work through alternatives. Being open about goals and concerns can be a benefit in itself.

Get Creative

If your organization is unable to offer robust financial benefits for your employees, thinking "outside the box" can often yield some benefits that your employees will appreciate.

Start by reflecting on your culture. How do you reward hard work or success? Would you allow an employee to work from home for a day as a reward for an accomplishment? Do you throw parties to celebrate organizational milestones? Do you recognize birthdays? These may sound like trivial questions, but all forms of compensation (including benefits) are often as much about showing respect as they are about providing dollars and cents. Finding non-cash means of showing that you pay attention to employees and reward hard work can demonstrate to your team that you really appreciate their contributions.

A common trait among many nonprofit professionals is that they are motivated by "doing good." However, they might not get the chance to exercise their unique brand of social justice during the traditional work day or they might be too burnt out to volunteer as much as they would like. Why not add on a few days off for volunteering into your vacation package? This might allow an employee to play the role of a scout leader for an extended weekend camping trip or encourage a former political activist to drive seniors to the polls on Election Day without producing a direct cost to the organization or having those employees utilize their other vacation days.

If you are a nonprofit in a city, you are literally surrounded by opportunities for your staff members to spend their hard earned salary. Hit the streets and talk to the management of local gyms, restaurants, movie theaters, parking garages and coffee shops and see if you can work out discount prices for your employees. Kiva, a nonprofit in San Francisco that promotes micro-finance investments in developing countries, touts 50 percent off at the local sushi restaurant in its benefits package. As another example, the EF Foundation in Boston offers discounted Celtics and Bruins tickets to its employees due to its close proximity to the teams' arena.

Revisit Time-Off and Work Arrangement Policies

In a recent study conducted by Commongood Careers, *The Voice of Nonprofit Talent in 2008*, nonprofit jobseekers ranked benefits such as "vacation policies" and "flexible work plans such as 4-day work weeks and working from home" as the most important non-salary benefits available. These factors ranked above traditional benefits such as dental, vision, performance bonuses, student debt repayment and family care. There are a variety of factors driving these trends, but test these kinds of ideas with your own employees to see what they value.

There are a number of low-to-no-cost ways to implement alternative time-off benefits. For example, choose two or three organizationally significant, non-holiday Fridays and declare them "our holidays" (in addition to federal holidays). Offer *unpaid* summer vacations to those who want it and who you can afford to have out for a few months. Encourage employees to utilize flex-time, work part-time from home, or work less than 40-hour weeks for less than full-time pay. If you are going to pursue such strategies, however, invest in your management's capacity to maintain performance levels within an increasingly flexible office environment.

Skip Matching to Make Retirement Planning Possible

Offering a retirement plan like a 403(b) can be expensive for some nonprofits, although they may not be as cost prohibitive as one might imagine. In general, retirement plans become expensive when employers agree to match contributions made by employees. If an employer agrees to match up to five percent of every employee's base salary, annual costs even for a small organization could sail high into five or six digits annually for an average sized organization.

There is, however, generally no requirement to match contributed funds in order to set-up a retirement savings plan for your employees. If your organization does not currently have a 403(b) or 401(k), it may be surprising to learn that you can establish and maintain such a plan for just a few hundred dollars a month in administrative fees paid to a benefits management company.

The important thing is to help your employees start saving in the immediate term. Matching funds can always be added at a later date. As an alternative to matching contributions an organization can plan to distribute year-end bonuses to employees in their retirement accounts dependent on whether or not the organization is in the black at the end of the year.

Get Flexible

A Flexible Spending Account (FSA) allows employees to set aside a portion of their paycheck on a pre-tax basis for qualified expenses. Qualified expenses are associated with medical care and dependent care, and generally include items such as over-the-counter drugs, prescription co-pays, contact solution, doctor's office co-pays, daycare fees, diapers, and gym fees.

Because money that is deducted from a participating employee's paycheck and placed into an FSA is not subject to payroll taxes, that is extra money (often around $300 out of every $1,000 apportioned) that you are helping to place directly into an employee's pocket that would have otherwise gone to taxes. This can be a valuable benefit because of the tax savings as well as because it helps your employees see your organization as one that cares about their health and well being. Furthermore, the plans can be managed in-house or often outsourced to payroll and benefits management companies for relatively nominal administrative costs.

Working with a Benefits Broker on Health, Dental, Vision

Many nonprofits work directly with the largest health insurance agency in their market to choose a plan that they believe is the best that they can offer based on their budgets. Working with a trained and certified benefits broker, however, is often free for the organization as these individuals are compensated by the insurance companies. A good independent broker should be able to help you compare all of the plans at one provider against many of the other competitive companies within your market. Often, simply by negotiating one company against another, you may be able to get similar benefits for lower costs. Some nonprofits are also able to work through associations, such as the National Human Services Assembly, to access lower, large-volume rates that have been negotiated on behalf of many groups together.

During difficult economic times, it is not unusual for employers to ask employees to help shoulder some of the financial burden in order to ensure the long term stability of more people's jobs. This may mean phasing out dental and vision coverage, or shifting a larger portion of the health insurance cost to the employees. Such measures are never easy, but many employees would prefer to see their benefits reduced if it means keeping the rest of their paycheck intact.

Conclusion

There are a number of online resources available that have more tips that might help you rethink benefits for your employees. Web sites such as www.irs.gov and www.paychex.com offer good places to start. Considering these tips and offering creative and flexible benefits will communicate that you value your employees and want to keep your organization competitive to active jobseekers.

Growing Pains: Managing Organizational Change

Despite the economic downturn that began in 2008, many nonprofits across the country continue to expand programs, secure additional funding and hire for new positions. Indeed, during these difficult times, most socially-focused organizations note that the need for their services has never been greater and that they have a responsibility to do whatever it takes to meet those demands.

As organizations expand, however, they must also adapt carefully in order to remain stable and sustainable ventures. Throughout a period of significant growth, every aspect of an organization is tested and strained, but perhaps none more so than its organizational culture.

Being Intentional with an Evolving Culture

Culture is particularly sensitive to growth-related changes because it represents a delicate social balance that is impacted by many different factors. As new employees are added to the team, along with new processes, structures, expectations and demands, this balance is forced to shift and evolve. Maintaining the status quo is not an option with continuing growth, but it is up to the members of the team to decide whether that change is intentionally driven in a specific direction or whether it happens in an uncontrolled manner.

Perhaps the most valuable lesson for organizations experiencing growth is to be deliberate about cultural evolution. Nonprofits place a high value on their unique organizational cultures, but most groups passively allow it to remain outside of anyone's control or influence. This does not have to be the case, and in fact, the most successful organizations go to great lengths to define their culture and control it throughout periods of growth. Managers at these organizations have learned that it is much easier to proactively build a positive culture than to fix a team than has already been allowed to change in negative ways.

The first step in managing an evolving culture is to identify the current and recent cultural elements that have had the greatest positive impact on the organization. Over the past few years, what things brought the staff together and made them more effective? What drove team performance and increased dedication to the mission? What made growth possible in the first place and what internal elements might slow it down or speed it up? And most importantly, which cultural elements should be maintained because they mirror the core nature of the organization, and which ones should be phased out because they are distracting or diminishing capacity? The answers to these questions will be different for each organization, but the keys to success in this process come from deliberately embracing the insights such discussions will make available.

Effectively managing organizational culture begins with a senior management team that embraces the:

- Importance of having a well-defined culture
- Ways in which growth will impact that culture
- Shared vision around the elements of an ideal culture
- Willingness to be hands-on in shaping the culture
- Belief that culture is driven primarily from the bottom-up, necessitating an internal grassroots approach

Once the management team is fully bought-in to this basic framework, it is time to engage the staff in the discussion. As many employees as possible, and ideally the entire staff, should be involved in the process of defining and promoting organizational culture. Staff meetings, town halls, working groups, culture committees, suggestion boxes, surveys and retreats can all be effective vehicles for engaging a grassroots approach to that process.

Ultimately, the management team and staff should collaborate to define and ensure intentional consistency around various cultural elements such as:

- How to identify and reward high-performance
- How to recognize and improve under-performance
- What management styles and behaviors are valued
- How feedback is solicited and received
- How decisions are made
- How challenges are approached
- What "diversity" truly means, why it is important and how it is being actively promoted
- How respect is demonstrated between team members
- What makes your organization different from others
- What makes this a special place in which to work
- What accomplishments, anniversaries, birthdays and milestones will be celebrated
- How to conduct those celebrations, who leads them, when they occur and what the budget might be
- What dress code would best promote the culture
- Which elements of the physical office space should be kept and which should be improved

Hiring for Cultural Fit

Adding new people to a team has a dramatic impact on organizational culture. As new hires come on board with innovative ideas, original perspectives, fresh energy and totally different sets of expectations, the balance of the team shifts immediately. As such, hiring presents one of the greatest opportunities to be intentional with culture because managers can carefully select the ingredients that are being added to the mix and work to project how those additions will impact the result.

BELL is a national afterschool and summer tutoring program for low-income urban children that recently grew from 30 to 200 full-time employees in just a few short years. Chief Executive Officer Tiffany Cooper said recently in an interview with Commongood Careers that, "It is definitely a challenge to maintain culture as an organization grows, but we try to manage our growth by ensuring cultural fit in all of our hires. We make culture fit a key part of interviewing."

BELL recognizes cultural factors such as preferred leadership styles, interpersonal dynamics, and organizational traditions, and incorporates this information into the hiring process. Of course, all of these factors can be affected by growth, so it is important to periodically re-examine cultural elements, identify those that are truly essential to the organization, and hire candidates who embrace and embody those core factors and are also aligned with the new realities of growth.
"Solid hiring is critical to an organization's growth and is hugely important in managing culture change," said Cooper. "Hiring people motivated by our culture and our mission is essential to our organizational growth. We are very slow to hire and we will turn down many great candidates in order to make sure we get those that are both great and compatible with our organizational culture."

Additionally, BELL focuses on supporting new hires through the on-boarding process by being explicit about various cultural elements and making sure that those who are familiar with the culture are involved. "Once we've made the hire we ensure that the people with the most history here are involved in the on-boarding process," Cooper said.

The Risk – and Opportunity – of Subcultures

Adding new employees can also lead to challenges. The subcultures that develop with grows can stem from many different factors. Geographically-based subcultures between regional offices result from differences in environment, standards in dress, styles of language, nature of regional management and the local community being served. Subcultures also develop within functional areas and highlight the transition from relying on employees to be "jacks-of-all-trades" toward creating more specialized functional responsibilities. As diversity in experience and background grows, subcultures often evolve based on these factors as well. It is important to recognize and value these subcultures while also maintaining a unified vision and identity for the organization as a whole.

It is also important that everyone on staff remains committed to and connected with the organization's mission and feels like a valued part of a singular large team. Reminding employees that they are all working to solve common problems and to reach common goals, despite location or function, can build unity and an important shared identity. When the overall organizational culture is one of healthy, positive respect, subcultures that become part of the unique diversity of the team do not present a threat to the intentional management of organization-wide culture.

Communication is Key

Perhaps the most important factor in building and maintaining organizational culture is communication. "Communication is essential to managing cultural growth. We have various systems to do so including cross-functional meetings, a monthly internal newsletter and a quarterly external newsletter," Cooper said. BELL also uses a unique quarterly "town meeting" to share organizational developments and encourage employees at all levels to contribute feedback on the strategic direction of the organization.

Employees need to feel included in organizational developments and decisions, even if they can't be involved directly. Sharing information through various formats sends a message that employees are respected and valued, no matter how large the organization or its rate of growth.

The current global economic crisis is having a clear and significant impact on the nonprofit sector. While mission-driven organizations have seen mounting demand for their services and predict that the demand will continue to grow, they are also extremely concerned about the philanthropic environment and worry about how they will be able to support an increase in services with an expected decrease in revenue.

How can organizations deal with the strain presented by the current economic situation? First and foremost, they need to ensure that the organization remains financially viable during the economic downturn. Unfortunately, this will most likely mean staffing related changes because such costs represent about 70 percent of an average nonprofit's budget. Throughout the process of reducing costs and downsizing, however, nonprofits need to ensure that the team remains strong and healthy, which means focusing on people and continuing to cultivate cultural elements. The following article will explore several of these strategies and best practices.

Staff-Related Cost Reductions

Before turning to actual layoffs, many organizations work to trim costs around staff-related expenses such as compensation, benefits and administrative costs. All of the following measures represent regrettable and difficult choices that will virtually ensure employee dissatisfaction. Such options should ideally be communicated carefully and implemented seamlessly while helping employees to understand that sacrifices on behalf of all must be made to ensure that the organization can continue its work.

In rolling back budgeted compensation, new raises should be withheld first and that policy should be applied equally across all employees of the organization. The next consideration is to withhold any performance-related bonuses, which is most likely to impact the management and development teams, as these are the two groups with which bonus systems are most commonly used. Some consideration should be made of the potential inequity of such a decision and the risk of disappointing and de-motivating the two groups that are essential to navigating tough economic times. In general, however, these are also the two most highly compensated groups, so there may be more room to cut costs without directly impacting people's ability to cover their core living expenses.

You may also consider an unpaid furlough, which means shutting down the entire organization with a forced unpaid leave for a period of days or weeks. Furloughs can be most easily implemented during periods of traditional organizational down-time such as holidays or summers slow-downs. Another way to accomplish a similar goal through a more drastic step is to institute an across the board salary reduction such as a five or ten percent decrease for all employees, which can be either time-limited or indefinite in scope.

Beyond direct compensation, many managers will review their benefit plans to ensure that they are only paying for essentials and getting the best benefits for their buck. Some groups will choose to phase out benefits that may be less important to their staff such as life insurance, long term disability, vision or dental. Others may downgrade their health insurance or consider switching to a different provider. Ultimately, the fastest and easiest way to cut benefit costs is to reduce the percentage that the company covers. By making a ten percent reduction in the employer contribution to health care, for example, you may only increase the burden for each employee slightly, while at the same time cutting aggregate organizational costs dramatically.

Talk with your employees to ensure that you have the best and most current information about which forms of compensation and benefits matter most to them and which ones are expendable. It may even be possible to convene a relatively large staff group and give them the challenge of cutting a certain amount of money from the benefits budget, making whatever allocations and trade-offs the group sees as most fitting. If employees feel engaged in the decision-making process, they may not be as upset with the realities of the decisions.

It is important to note than some plan restrictions and state and federal laws may impact which options are available to you and when. Minimum health care coverage legislation and plan open enrollment periods may be worthy of particular consideration. Speak with your HR experts and benefit managers to learn more about the available options.

Alternatives to Direct Layoffs

Before moving to layoffs, consider using a hiring freeze. Is your organization able to manage for the next six months, for example, with only the staff you have on board now? Can you commit to not making any additional hires, even if you experience resignations and turnover? This will require you to reallocate the work loads of departing employees, but may be a slow and easy means of reducing your staff size.

Another option to consider is part-time and flexible work arrangements. Are there staff members who would prefer to work part-time, either on a temporary or permanent basis? Or is there anyone on staff who is interested in taking an unpaid leave of several weeks or several months for vacation, travel, family time, consulting, or any other reason? If so, you may be able to work out deals under which people reduce their hours or have their jobs waiting for them when they return from leave. You may also consider officially terminating a full-time employee and hiring them back as an independent contractor if they are going to be working on a part-time and project-orientated basis. This will save on benefit expenses as well as payroll taxes, but make this move with caution as the IRS has strict guidelines regarding such strategies and structures.

It will also help with your budgeting efforts if you can find out sooner rather than later if people are planning to leave for any reason such as graduate school or relocation. This can be a difficult conversation to have, as you don't want to give the impression that you are pushing people out the door or panic people who were not intending to leave. Nonetheless, the information gained through such conversations may be vital to you in considering whether or not more difficult staffing decisions need to be made.

Downsizing

Often as a last resort, you may need to engage in layoffs, which will require a series of important decisions about how many individuals must go, from what departments, over what time period, and ultimately, which specific individuals will be leaving. Often, such considerations involve a mix of financial necessities, strategic implications and performance-related evaluations.

Developing clear rationales and communication strategies for these decisions will be essential to protecting you from discrimination charges as well as internal and external push-back regarding your decisions. Expect that people will question every decision and expect clear and immediate answers from you. Determine how much you are willing and able to share about each decision in advance, and make sure that all leaders are sharing a consistent message.

It is important to think through the effects of every termination decision – on the organization as a whole, on the work flow of the affected departments, on external constituents, and on staff morale. Ensure that all of the details of the severance package and separation logistics are worked out in advance so that negotiation and awkward conversations are minimized. Remember that any former staff member becomes an ambassador for your organization and no matter how challenging the situation, trying to ensure loyalty even among those who are terminated can have a tremendous impact on your organization's reputation.

People Matter: Strengthening the Organization

Although current financial realities may call for some tough decisions, do not forget that this is also the time to improve your organization and work to ensure its continued success. You want to come out of this difficult period as strong as possible, which among other things means keeping your top performers on board.

Key strategies in this regard include communicating clearly to instill confidence, providing leadership opportunities, and looking to your employees for innovative ways to streamline work and maximize impact. Keep employees informed about the ongoing situation and how the organization is faring. You want to be realistic but positive so that employees do not fear that they will be next on the chopping block, but so that they also are not shocked when cuts are announced. It is also vitally important that your key employees know how much you value their contributions and that you will do everything possible to keep them. You want to prevent your top performers from even considering looking for other opportunities.

There are two ways that remaining employees can view downsizing: either as a burden that means they have to do more work, or as an opportunity to take on more responsibility and have a greater impact. It is management's role to ensure that top performers take the latter approach and view this as an opportunity to develop their skills. Giving people the chance to learn, grow, and lead in a new area can increase their commitment to your organization.

Difficult times are when organizations and leaders are tested most rigorously, but you can emerge successfully from these times by considering a wide range of options, being strategic in choices and priorities, making decisions when they need to be made, managing change carefully and maintaining carefully controlled messaging and open lines of communication. Not all organizations will be able to weather this storm and continue to serve their missions in the years to come. Those that do, however, have the opportunity to use this time to become more efficient and effective and to position themselves for continued growth and success when the economy rebounds.

The Voice of Nonprofit Talent in 2008

Improving recruitment and retention by responding to the needs of nonprofit employees and jobseekers

By Commongood Careers

Author's Note, February 2009:

This report was originally published in early 2008 before the global economic downturn and its impact on the nonprofit sector. As a result, the following content focuses on recruiting shortcomings and the leadership crisis that dominated discussions of the nonprofit workforce at that time. Although hiring freezes and layoffs have since overshadowed issues of talent recruitment, we believe that the findings and recommendations in the report continue to hold tremendous value for nonprofit managers. Commongood Careers plans to release a sequel to this report in late 2009 with a similar study examining how the economic crisis has impacted the preferences and behaviors of socially focused jobseekers and employees. We hope that you will enjoy that report as well.

Executive Summary

Commongood Careers is an innovative talent partner for the nonprofit sector. Functioning principally as a retained search firm that supports social entrepreneurs with their recruitment and hiring needs at every level of the organizational chart, Commongood Careers also works to provide resources for socially-driven jobseekers and to address talent-related issues throughout the sector.

To this end, Commongood Careers recently developed and distributed a 25-question survey to the 15,000 members of its candidate pool. The survey asked jobseekers to share their attitudes, motivations and challenges in pursuing careers in the social sector. The following report is intended to provide employers with a deeper understanding of what employees prefer and expect from them. This information can help organizations be more effective at recruiting, hiring, developing and retaining talented individuals.

Three major themes emerged in the survey results. The first, *Cultural Connection*, reveals the participants' motivations and values. The second, *Employment Incentives*, explores compensation-related concerns and preferences. Finally, *Career Development* offers a glimpse into their longer-term plans and aspirations.

Theme 1: Cultural Connection

Although most nonprofits consider "candidate fit" with their organizational culture to be one of the most important factors in making a hiring decision, survey results illustrated the degree to which jobseekers also place cultural connectivity above almost all other factors in assessing their job opportunities.

When asked what type of organizational culture they desired, a "collaborative, team-oriented" environment was most prized, with respondents indicating that this was one of their primary reasons for choosing nonprofit over private sector jobs. Demonstrating a "strategic, results-oriented" approach was also essential, as was an effort to engage employees in the development and implementation of that strategy. People want to see, feel and impact results while working in organizations that they believe are effective agents for social change.

Theme 2: Employment Incentives

Although survey participants indicated high levels of tension around "doing good" while also needing to earn a living, they did not want to make substantial trade-offs in the process. While "mission" still ranked first in evaluating job opportunities, "salary" finished second and remained a prevalent theme throughout the survey.

When asked to consider which non-salary benefits were most important to them (other than healthcare) "vacation policies" topped the list, with second place going to "flexible work plans such as 4-day weeks and working from home." Both factors ranked far above traditional benefits such as dental, vision, performance bonuses, tuition debt support and family leave.

Theme 3: Career Development

Respondents voiced a clear intent to stay in the sector and pursue leadership roles, with 63% indicating a plan to stay in the sector for at least ten more years; 82% saying they wanted to hold a nonprofit executive-level role at some point; and 66% stating that they were ready, or would be soon, to hold an executive position.

When asked what might keep them employed at a single organization for 5-10 years, the top response was "feeling continually challenged by my job." On the other hand, respondents indicated that the relative absence of career ladders, mentors and professional development might limit their long-term ability to remain in the sector.

Implementing Strategic Responses

Jobseekers agree that the need for change is real, as over 75% of respondents agreed with the following:

- Organizations must change their *recruitment* practices to *attract* next generation leaders.
- Organizations must change their *employment* practices to *retain* next generation leaders.
- Organizations must do more to *professionally develop* future nonprofit leaders *from within*.

To provide some ideas for nonprofits looking to put this information to work, consider the following:

1. Define and publicly share a statement about your organization's unique culture and values.
2. Define your "employer brand" and leverage your marketing resources in your hiring efforts.
3. Develop a proactive, year-round commitment to recruiting and informational interviewing.
4. Consider "re-scaling" growth plans for increased salaries across fewer, higher-level employees.
5. Stay current with evolving salary trends and maintain your competitiveness in compensation.
6. Get creative with benefits, offering more flexibility with vacation and work arrangements.
7. Build career ladders for every employee, identify successors, and promote employees regularly.
8. Challenge and develop employees through in-house training and mentoring opportunities.

About the Authors and the Study

Commongood Careers is a retained nonprofit search firm that was founded in 2005 and is dedicated to supporting social entrepreneurs with their recruitment and hiring needs at every level of the organizational chart. Commongood Careers also focuses on providing resources for socially-driven jobseekers and addressing talent-related issues throughout the sector.

In pursuit of these goals, Commongood Careers offers individualized, engaged services to organizations and jobseekers throughout the hiring process, as well as access to a wealth of knowledge about nonprofit careers. Ultimately, Commongood Careers envisions a social sector that is unencumbered by talent-related challenges and thereby able to pursue its valuable work with greater capacity, effectiveness and impact.

Over the past year, Commongood Careers completed 200 searches in 20 states for 50 leading nonprofits, filling positions that ranged from administrative assistants to executive directors and included every functional area. To help fill these roles, Commongood Careers leveraged its national talent network of universities and strategic partners while conducting ongoing recruitment efforts at over a hundred events, conferences and career fairs. Commongood Careers is proud to have a 95% successful hire and retention rate, with 55% of those roles filled by candidates of color.

In working to support jobseekers over the past year, Commongood Careers has conducted over 100 one-on-one advising sessions and presented 50 candidate training workshops at graduate schools and career fairs around the country. In addition, the organization has authored various "how-to" articles for dissemination through our content-distribution partners and built a free online resource center.

Creating a new avenue for impact in these areas, the following report is the first in what is intended to be an annual effort to collect and share talent-related knowledge throughout the sector. Contributing authors include Kevin Flynn, Dana Hagenbuch, Kevin Kovaleski, Cassie Scarano and James Weinberg.

For more information, please visit us on the web at www.cgcareers.org or feel free to contact us through email at info@cgcareers.org.

Survey Participants: Over the past two years, Commongood Careers has built a jobseeker community of over 15,000 individuals, developed both through applications to its clients' managed searches and direct recruiting at graduate schools and career fairs. Given the unique nature of Commongood's clients, these individuals are likely to have a particular interest in educational and/or socially entrepreneurial organizations. This group was also skewed from a geographic perspective, with 67% from the East Coast, 19% from the Central region, and 14% from the West Coast. Beyond these factors, the survey participants represent a fair cross-section of talent in the sector:

Participant Demographics: (all self-identified)

- *Gender:* 70% female; 30% male
- *Ethnicity:* 70% White; 30% Black/Latino/Asian
- *Age:* 41% under 30; 23% age 30-40; 36% over 40
- *School:* 95% college grads; 56% post-grad degrees
- *Seniority:* 29% entry-level employees; 33% mid-level; 24% senior-level; 14% executive-level
- *Overall Experience:* 32% with 0-5 years of work, 32% with 5-15 years, 36% with over 15 years
- *Nonprofit Experience:* 56% with 0-5 years in-sector work, 28% with 5-15 years, 16% with over 15 years
- *Employment Status:* 82% active jobseekers

Survey Questions: Commongood Careers developed a ten-minute survey that was distributed via email to the 15,000 members of our talent database. With a response rate of almost 12%, a total of 1,750 individuals responded to the survey, representing a statistically significant sample. Of the 25 questions on the survey, 13 were qualitative assessments of participants' attitudes toward nonprofits and careers in the sector. Some of these questions asked people to select the three options (out of ten possibilities) which best personified their feelings. Other questions asked participants to state the level at which they agreed (on a scale of 1-5) with a series of statements. The final 12 questions were optional demographic questions included to learn more about the participants.

The survey questions were designed to explore specific issue areas for nonprofit jobseekers, such as:

- Motivation for wanting to work in the sector
- Factors when considering different jobs
- Ideal characteristics of organizational culture
- Opinions on different forms of compensation
- Plans for their overall career trajectories
- Drivers to stay at an organization for 5-10 years
- Concerns about sustaining a nonprofit career

TOPIC OVERVIEW: A TIME FOR ACTION

This may be the most crucial time in the history of the nonprofit sector to study, discuss and address talent-related issues. Just as it has become increasingly evident that the sector as a whole is facing an unprecedented imbalance between the supply and demand of talent, individual organizations are struggling without suitable resources to manage a major inter-generational transition. The result is a tight and complex labor market. Some of the factors driving these dynamics include:

- *Sector Growth:* The IRS reports that almost 100 new nonprofits are formed every day. According to the *Leadership Deficit*[1] by the Bridgespan Group, the number of nonprofit organizations has increased by 300% in the past two decades and will continue to develop at this rate. The sector now employs about 10% of the US workforce. As the sector grows to occupy an increasingly prevalent role throughout society, its need for talent grows proportionately.

- *For-Profit Competition:* The nonprofit and for-profit sectors are rapidly converging. Although these changes are resulting in exceptionally positive innovations throughout society, they are also bringing leaders from both sectors into direct competition for a limited pool of talented, socially-conscious professionals. Unfortunately, in the "war for talent," nonprofits are poorly matched in terms of financial resources and recruiting expertise. This is true for those already in the sector, as a survey by Young Nonprofit Professionals Network[2] indicates that 45% of its members will pursue for-profit jobs.

- *Generational Leadership Change:* As the Baby Boomers enter retirement, a large number of new leaders are needed to step into leadership roles. This is particularly problematic for nonprofits, where few resources have been devoted to succession plans or leadership development. As Gen-X, Gen-Y and Millennials grow within the workforce, they bring new expectations, work styles, motivations and aspirations. As illustrated in the Annie E. Casey Foundation's report *Up Next*[3], understanding the characteristics of younger generations is essential for the sector.

Unfortunately, most nonprofit organizations are ill-equipped to address such challenges, evidenced by the fact that only 13% of nonprofits have full-time positions dedicated to human resources, as reported in the CompassPoint report *Help Wanted*.[4]

1: Tierney, Thomas, "The Nonprofit Sector's Leadership Deficit," Bridgespan Group, 2006.

2: Solomon, Josh and Yarrow, "Stepping Up or Stepping Out: A Report on the Readiness of Next Generation Nonprofit Leaders," Young Nonprofit Professionals Network, 2007.

3: Kunreuther, Frances, "Up Next: Generation Change and Leadership at Nonprofit Organizations," Annie E. Casey Foundation, Executive Transitions Series, Volume 4, 2005.

4: Peters, Jeanne and Fernandopulle, Masaoka, Chan and Wolfred, "Help Wanted: Turnover and Vacancy in Nonprofits," CompassPoint Nonprofit Services, 2002.

Much of the reason for this shortage of human resources function stems from the traditional relationship between foundations and grantees, in which organizational "overhead" is almost completely cut to maximize direct spending on programs. Deeming HR as expendable for decades has yielded deeply entrenched misperceptions about the role and importance of this function within healthy organizations. The absence of nonprofit HR has led to ineffective recruiting, poor hiring decisions, high turnover, unbalanced compensation systems, ineffective staff management and dissatisfied employees who are not supported in their development.

There are, however, emerging trends that suggest a more promising outlook. First, more funders are supporting overhead expenses and encouraging grantees to invest in human resources; groups like New Profit, Inc. and Emerging Practitioners in Philanthropy have taken a leadership position in this area. Second, over the past ten years, the number of undergraduate and graduate students expressing an interest in social sector careers has been rising rapidly, as the Corporation for National & Community Service has observed. Third, although many Baby Boomers are leaving nonprofits, many more are retiring from the private sector and are looking for ways to have social impact through "Encore" careers, a phrase coined by Civic Ventures. Fourth, the cross-over of business people and practices is infusing the sector with leaders who understand that an organization is all about its people. Finally, organizations are starting to band together to pool resources and take collective action through efforts like the Nonprofit Workforce Coalition.

If nonprofits are going to respond to these challenges and capitalize on these opportunities, organizations must become significantly better at recruiting and hiring talent, as well as developing and retaining existing leadership. Such improvements demand an adept understanding of what nonprofit professionals currently want and expect from their employers.

This report represents the first annual talent survey by Commongood Careers. The intent of this effort is to provide nonprofit employers with real-time data about the perspectives and motivations of jobseekers so that they can ultimately make smarter decisions and be more competitive in attracting and retaining talent. This report will also provide suggested strategies for responding to the data and instituting best practices.

In closing, if informed changes and strategic investments can be made by nonprofits today, then the sector and its workforce can continue to grow and flourish tomorrow.

THE FINDINGS: WHAT NONPROFIT TALENT WANTS

In order to be competitive in recruiting and retaining talent, organizational leaders must understand the motivations, priorities and strategies that drive today's nonprofit professionals. As the following results demonstrate, this requires the development of innovative responses to the array of competing needs that exist within prospective and current employees.

Three major themes emerged in studying the survey results. The first theme, *Cultural Connection*, reveals the motivations and values of today's nonprofit talent. The second, *Employment Incentives*, brings to light the compensation-related concerns and opportunities that factor into an individual's employment decisions. Finally, *Career Development* offers a glimpse into the longer-term plans and aspirations of survey participants.

Theme 1: Cultural Connection

It is well known that "organizational culture" – as characterized by factors such as an organization's values, attitudes, demographics and work style – is a major component of nonprofit identity and perhaps the single most important factor for hiring managers when evaluating potential employees. This study found that jobseekers also place a high value on an overall sense of cultural connection. Several cultural elements stood out as favorites among the survey participants.

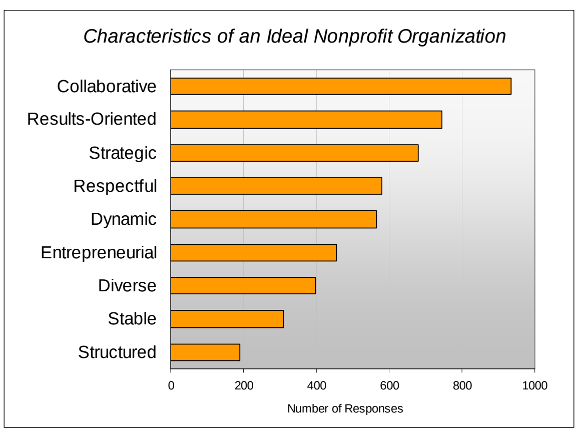


Figure 1: "Which adjectives best describe the most important characteristics of an organization at which you would want to work?" (Choose up to three.)

When asked to rank-order several potential characteristics of an organization in which they would most like to work (Figure 1), survey participants overwhelmingly prioritized a "collaborative" culture. In response to other questions, "collaborating with colleagues who share my values" and the ability to "work in an office environment that is team-oriented" were also identified as key factors job satisfaction. Respondents clearly indicated that they would rather collaborate with colleagues than compete with them.

The second and third place characteristics of an ideal organizational culture were "results-oriented" and "strategic." It was particularly revealing to see that these factors had trumped traditional nonprofit attributes such as "respective" and "dynamic" cultures. In further support of this trend, almost 50% of respondents listed "evidence of an organization's effectiveness and impact" among their top three responses when asked what elements where most important to them in evaluating different job opportunities (the organization's mission and the job's salary were the other top three picks). Finally, 59% of participants stated that "believing in the strategic direction of the organization" was one of the most essential contributors to their decision to potentially stay employed at a single organization for 5-10 years.

> **"My ideal organization would be vision-driven, goal-focused, and people-centered."**

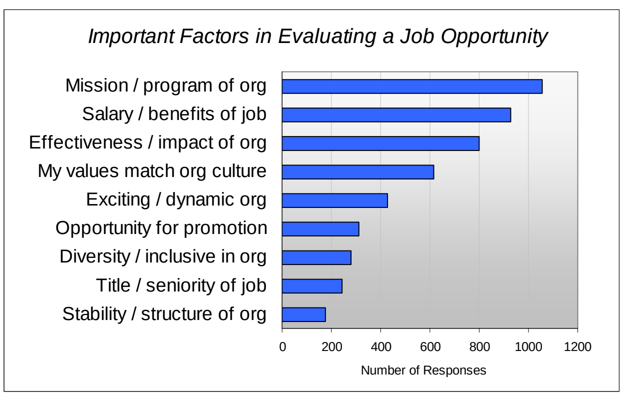
Today's nonprofit jobseekers gravitate toward organizations that work collaboratively as effective agents for social change. They want to be involved in setting the strategic direction and they want to see, feel and impact the organization's results. Survey findings suggest that participants felt organizations should develop the collaborative and strategic aspects of their cultures and effectively communicate those elements during all stages of the recruiting and hiring processes. Survey respondents viewed informational interviewing as an integral aspect of their search, with 62% citing "'professional networking with people I know" as a very important resource that was second only to the use of online job boards to find positions. Organizations must leverage this opportunity to communicate the important aspects of their culture to jobseekers.

Theme 2: Employment Incentives

Almost all of the 12 million people working in the U.S. nonprofit sector face a fundamental tension between their desire to "do good" and their need to earn a living. This struggle, coupled with resource constraints, is a long-standing problem in the sector. Inability to meet employee salary demands is one of the primary factors driving the following trends: the high number of jobseekers who decide not to enter the nonprofit sector or transition out, high numbers of inexperienced managers in the sector, the failure of the sector to retain employees as they start to develop families, and high turnover rates of talented individuals as they hop from one opportunity to another in order to progress along a salary growth line that might be comparable to what they could find at a single company in the private sector.

Now more than ever before, socially-focused professionals are unable and/or unwilling to make trade-offs around compensation to work in the sector. Next-generation leaders face heavier financial burdens than their predecessors, as the costs of education, housing and healthcare continue to skyrocket. When asked what factors drove their hesitations about building long-term careers in the social sector, the overwhelming majority of respondents (70%) listed "salary levels" among their primary areas of concern. The next closest response out of ten possibilities, at 38%, was "fears about burn-out or lack of work-life balance." When asked about the factors impacting the evaluation of prospective job opportunities, 55% indicated "salary and benefits."

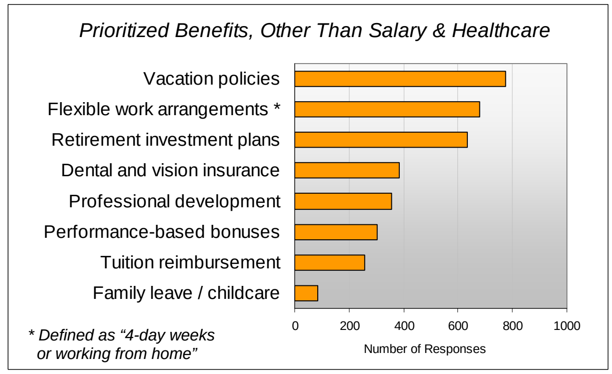
As jobseekers are more focused on compensation, the nonprofit sector is facing a growing threat from the private sector as an increasing number of corporations with socially responsible business practices are able to satisfy both the conscience and the financial needs of jobseekers. Nonetheless, the opportunity to connect directly with an organization's mission still provides nonprofits with a competitive advantage that can be leveraged in recruiting and retaining talent. For example, 62% of respondents listed the "organization's specific mission and programming" as a top factor in evaluating job opportunities (Figure 2). These factors were followed closely by organizational effectiveness and cultural connection, preferences that were explored in the previous section. In addition, 84% indicated that "work is part of my identity, not just a way to make a living."



<u>Figure 2</u>: "When considering a particular job in the social sector, which of the following factors are most important to you in evaluating the opportunity?" (Choose up to three.) Full text of options, presented in descending order of response, were: The organization's specific mission and programming; Salary and benefits; Evidence of the organization's effectiveness and impact; An organizational culture that mirrors my personal values; An organization that is exciting and dynamic; Opportunity for promotion within the organization; An organization that values diversity and inclusiveness; The job title and position seniority; An organization that is stable and established.

Assuming that nonprofits have a limited capacity to increase salary levels, one survey question was designed to ascertain what forms of compensation beyond salary and healthcare coverage were most important to participants.

The relative importance of different benefit options, displayed in Figure 3, provides interesting insight into the priorities of today's nonprofit jobseekers.



<u>Figure 3</u>: "Besides base salary and healthcare benefits, which of the following aspects are most important to you when considering a compensation package?" (Choose up to three.) Full text of options, presented in descending order of response, were: Vacation policies; Flexible work plans such as 4-day weeks or working from home; Retirement investment plans such as 401(k) or 403(b); Dental and/or vision insurance covered at least 70% by employer; Structured professional development; Performance based bonuses; Tuition reimbursement, support, and/or deferment; Extended family leave and/or childcare benefits.

With 45% of respondents listing "vacation policies" among their top priorities, nonprofits have an opportunity to substantially increase benefits with little or no direct budgetary implications while also countering employee concerns around premature burn-out. The second most popular response, "flexible work plans such as 4-day weeks or working from home" similarly offers a potential low-cost/no-cost employment incentive that will improve the likelihood of retaining employees into and through their family rearing years.

To summarize, although financial resources may be constrained, creative solutions exist that may allow social sector organizations to remain competitive in recruiting and retaining talent.

Theme 3: Career Development

The third and final theme to emerge from the study data involved participants' career aspirations and the barriers that they were concerned might stand in the way of achieving those goals. Specifically, respondents voiced their intent to pursue leadership roles within the nonprofit sector, but also expressed their need to be continually challenged, mentored and developed.

As illustrated below in Figure 4, 63% of respondents indicated an interest in staying employed in the sector for at least another 10 years; 82% said that they want to hold an executive-level role at some point in their careers; and 66% felt that they are either currently ready to hold an executive position or that they would be ready to do so within the next few years.

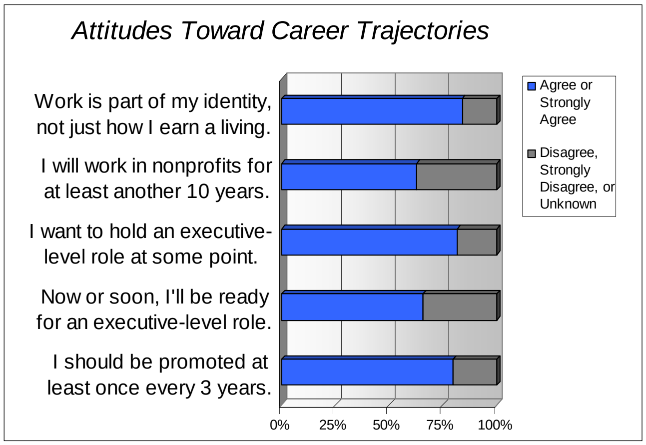


Figure 4: "Regarding your career, please indicate the extent to which you agree with the following statements." (Choose only one reply level for each question.) Full text of options were as follows: My work is part of my identity, not just a way to earn a living; I intend to stay in the social sector for at least another 10 years; I want to hold an executive level position at some point in my career; Either now or within the next few years, I will be ready to hold an executive level position; With strong performance, I expect to be promoted at least once every 3 years.

Following several recent studies regarding the sector's emerging leadership gap, it is encouraging to see such a strong turn-out of jobseekers interested in pursuing nonprofits and leadership roles. Less inspiring, conversely, was the fact that study data confirmed the well-established pattern of nonprofit professionals frequently changing employers to advance their careers. Almost 80% of respondents said that they expected to be promoted at least every three years given strong performance, and a "lack of career ladders" was reported to be one of the top concerns around sustaining a nonprofit career. In the private sector, highly competitive companies often tell employees to "*move up or move out*," but in the social sector, individuals are more often finding they must "*move out to move up*." In order to fight high turn-over rates, organizations must create more opportunities for internal talent to rise.

It will take more than just the availability of opportunities, however, to increase the rates of employee satisfaction and retention. With 70% of nonprofits having annual operating budgets of under $500,000 and fewer than five full-time staff positions, the vast majority of organizations will not be able to offer significant promotions to their staff. To further explore retention factors, the survey asked participants to rank-order a variety of alternatives that would impact their retention, reported in Figure 5.

Sixty-two percent of respondents said that "feeling continually challenged by my job" would be the most important factor to keep them in a single organization for 5-10 years. Other top responses included "believing in the strategic direction of the organization," "liking the people with whom I work," and "feeling comfortable in the work culture."

While nonprofit jobseekers want to feel continually challenged, survey participants also expressed a desire for increased mentoring and professional development. In fact, almost as many people said they wanted a supervisor who served as a mentor as the combined number who said they wanted more tangible benefits like regular promotions, increased vacation days and contributions to retirement savings.

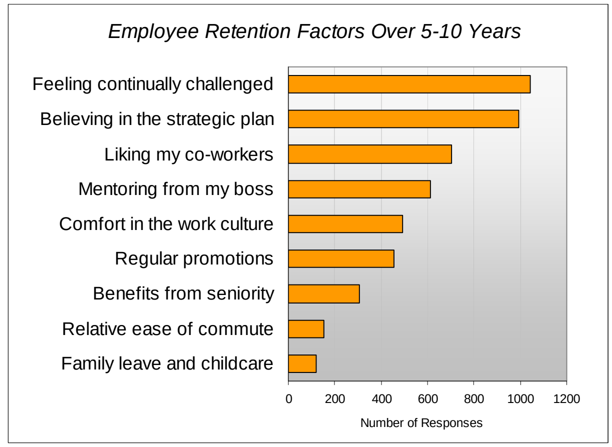


Figure 5: "What would be the most important factors in keeping you employed at a single organization for at least 5 to 10 years?" (Choose up to three.) Full text of options, presented in descending order of response, were: Feeling continually challenged by my job; Believing in the strategic direction of the organization; Liking the people with whom I work; Having a supervisor who acts as a mentor to me; Feeling comfortable in the work culture; Regular promotions; Increases in benefits like vacation days or retirement contributions; Having an easy commute to and from work; Supportive policies for family leave and childcare.

"Recognition, increased responsibility, and leadership opportunities can be just as satisfying as promotions."

Unfortunately, many respondents were pessimistic about the amount of structured and useful professional development that they might expect to receive in the sector. Only 20% of this group saw "opportunities to develop professional skills" as a motivation for working in the sector, while more said they felt they might need to switch over to the private sector, if only temporarily, in order to build their professional skills. Implementing employee training and development programs, even to a modest and manageable extent, is likely to substantially increase retention. Similarly, demonstrating a commitment to employee development can be a key factor in recruiting talented individuals.

CONCLUSION: STRATEGIC RECOMMENDATIONS

To summarize the most prevalent trends that emerged from the survey, today's nonprofit jobseekers want:

- Collaborative work cultures
- Strategic and results-oriented organizations
- Reasonably competitive salaries
- Flexibility in both vacation and work policies
- Career ladders providing consistent challenges
- Mentoring and professional development

While certainly a challenging list of demands, the benefit of taking action can be dramatic. Jobseekers agree that the need for change is real, as over 75% of respondents agreed that nonprofits *had to immediately change* their recruitment, employment and professional development practices in order to stay competitive in the years ahead.

For nonprofits looking to put this information to work, the following suggestions are offered:

1. Define and share your organization's culture: Given the importance of cultural fit to jobseekers, have employees develop a description of your values and culture. Focus on the most strategic and results-oriented elements, as well as your collaborative and team-oriented style. Share this with prospective employees and consider posting it to your website.

2. Define your "employer brand": Many nonprofits have internal and/or external resources dedicated to managing their brand as it relates to their programs and fundraising. Few, however, take the time to identify and codify their brand as it pertains to their place in the hiring landscape. What are the unique characteristics of your organization? What are your competitive advantages when it comes to attracting talent? Define your employer brand and engage marketing strategies to ensure that your brand is communicated through all of your job postings, recruitment tools and hiring systems.

3. Develop a year-round commitment to recruiting: The best recruitment efforts are conducted proactively on a year-round basis, rather than in reaction to an immediate hiring need. This may include attending local career fairs, building partnerships with graduate schools or having your employees maintain robust peer groups through social networking tools like LinkedIn. Critical to the success of year-round recruitment efforts is having a point person within your organization to do informational interviews and develop a contact management system for tracking candidates.

4. Invest wisely in talent: Consider "re-scaling" your growth plans to allow for increased salaries across fewer, higher-level employees. What would best serve your constituents, 10 "B-level" employees or 8 "A-level" employees? With the savings from those 2 jobs, you may be able to add $10,000 to the remaining 8 roles.

5. Maintain salary competitiveness: Significantly more nonprofit salary data is being studied and reported by different groups than ever before. For example, a tremendous amount of information is available online through Guidestar, and more organizations are willing to exchange salary data with their peers. Stay continually abreast of salary trends to know where you stand in regard to market averages for compensation.

6. Get creative with benefits: Pick 2-3 non-holiday Fridays and declare them organizational holidays. Offer unpaid summer vacations to those who want it and who you can afford to have out for a few months. Encourage employees to utilize flex-time, the option to work less than 40-hour weeks, or work part-time from home. Invest in your management capacity to maintain performance levels within an increasingly flexible office.

7. Build career ladders: Ensure that every manager is familiar with the personal and professional goals of their direct reports. Have every employee develop a professional development plan. Identify an in-house successor for every position from the administrative assistant to the executive and groom your successors. Expect to promote or expand the responsibilities of every employee at least once every 2-3 years. If there is no room to do so, help them to smoothly move on to roles at other organizations.

8. Challenge and develop your employees: Grow your own leaders rather than buying them in the competitive marketplace. Build in-house training programs unique to your organization and look to partners, funders and peer organizations for collaborative support. Find out what "hard" and "soft" skills your employees want to develop and challenge them to acquire those capabilities. Host a guest speaker series or a brown-bag lunch to expand your employees' vision of the landscape..

Today's socially focused jobseekers want to be engaged, leveraged, valued and supported. By listening to them and pursuing creative solutions to ensure their satisfaction, your organization will remain competitive in recruiting and retaining great nonprofit talent!