

# **Beyond Investing in Financial Resources: Making the Case for Investing in Human Resources to Achieve Results**

Key Points in Presentation by Cathy Wright:

## **Introduction**

I would like to build on both Lynn's and Dan's presentation and focus specifically on three areas that will contribute to strengthening the staff working in the non-profit sector.

The first is financial stability, changing funding practices that lead to more stable environments in which staff operate. As Lynn has indicated in her findings, the sector has many funders with various requirements and access to adequate pay and benefits are contributing factors to retaining staff.

The second is Board Governance. A strong and involved board supports their staff, and works with them to ensure that the organization has a strong sense of direction. Research has shown that most non-profit organizations are independent and do not have the advantage of being part of a larger network with extra supports such as with community foundations, Big Brothers Big Sisters, YMCAs etc.

The third is learning. The work of the non-profit sector is changing because communities are changing and learning opportunities will keep individuals challenged and engaged.

## **Stepping back to look at the sector and our communities**

But first let's look at the job satisfaction – why is the overall satisfaction so high with 80% of employees very satisfied or satisfied. Would you say the percentage of individuals satisfied with their job in government would be this high? No.

Working in the non-profit sector is inspiring; it is a great sector to work for. It provides an opportunity to contribute to your community in a way that builds on your knowledge and experience and that of others. It is a setting with tremendous potential to respond to the challenges and strengths of the individuals and groups we work with. And the work is ever changing because communities never stand still.

The social and economic issues that people face are more complicated, and compound on each other. In a country so rich as Canada, Vital Signs, produced by a number of community foundations across Canada to help groups better understand their communities, concluded that child poverty was one of the top issues. As the results emphasize, the best kind of work opportunity is one where you are always learning.

- One executive director of a community foundation said our role is to bring the information to the table and we need to build relationships with others to get them to take the lead on issues raised.

More than ever before, the message is for communities to work together, to work across sectors; it is the non-profit sector who is a key leader in bringing together government, business, churches, unions, other non-profits and individuals they are serving. It is clearly a navigating role. The onus of working together in communities has never been higher. The leadership expectations and demands on the sector are tremendous but exciting.

Secondly there is an increasing emphasis on working in the neighbourhoods, reaching out to individuals on their turf, listening to what they need, building their voices and their leadership. This is happening in poverty reduction initiatives across the country; it

is also happening in supports from community foundations and others to aboriginal and newcomer communities.

Keeping the sector strong is imperative to the well-being of our communities and the timing is ripe for a labour force strategy.

I would be remiss if I didn't add that many are concerned about keeping the sector strong and my Province is one example. The province of New Brunswick, situated in eastern Canada is one example where a year long task force in 2007, the Community and Non-Profit Task Force met with 774 individuals and groups across the province.

The end result is that the Provincial government has agreed to set up a Community and Non-Profit Secretariat with an advisory committee and senior deputy minister to focus on four areas which include stabilization of funding and revitalizing the partnership between government and the sector including the area of policy development. The sector holds out much hope for changes in the way it is supported.

## **Lead in**

Many foundations feel it is important to support organizations in developing their internal capacity to achieve strong governance, stable infrastructures, clear strategic direction, and financial stability.

## **Financial Stability**

**Pressure of Financial Stability:** I don't need to say much about the fact that you all know funding is a challenge and who knows how this challenge will be exacerbated with our current economic situation. Many smaller community foundations have first hand

knowledge of the impact on how you operate when your funding is uncertain. It wears everyone down.

The growing demand for services has fallen on the sector itself, a demand which has not been matched with resources. In fact over the past couple of years the federal government has reduced a number of avenues of funding.

**Multi-year funding:** But there are some interesting approaches among foundations. The J.W. McConnell Family Foundation believes in multi-year funding and has incorporated this in their approach to poverty reduction initiatives across the country through Vibrant Communities, including Saint John. Multi-year funding takes a huge pressure off the sector, for both staff and board members. Contrary to popular myth, it does not have any relevance to less accountability.

**Size of grants:** Most recently two of the largest foundations in Atlantic Canada, Saint John and Fredericton, moved to some of their grants being larger grants, more targeted, rather than being all things to all organizations.

**Simplified accountability:** When the Community Foundation of Nova Scotia recently established its grant program it was open to simplifying the application process and the evaluation expectation. Funding sources such as foundations and corporate supporters have the freedom and ability to recognize the community knowledge that can be present in funding applications and the kinds of requirements that are essential to accountability. In our own community, a short report is all that is needed.

**Guidance from grantees on what they need:** As Dan has discussed many foundations have sought input from staff in the non-profit sector to guide ways to keep the sector strong. One local ED said to me – provide us with accounting expertise or

guidance, for free, this is what we need. A retired auditor who could help with charitable returns. A number of foundations are organizing information sessions to help charities with the changing rules from the Canada Revenue Agency.

## **Board Governance**

Many groups across the country have talked about board recruitment and retention as to use the words of the Winnipeg Foundation “chronic challenges”. How important is the board to the health of the organization?

- Often meetings with funders such as United Ways expect to see board members speaking for the organization and not staff.
- One recent executive director said a huge part of her job is human resources and she counts on the board’s human resources committee to work with her.

There seems to be less willingness from citizens to serve on boards. This presents a significant challenge for staff to recruit but also to strategize ways to engage them, excite them, guide them in contributing to the effectiveness of the organization.

The Community Foundation movement certainly recognize this as a key area for learning and part of organizational development.

Whether on a board of a community foundation or any other non-profit organization. How do we support staff

## **Learning**

Learning is clearly valued in the sector although only 25% received professional training in the past year and limited opportunities is a negative for staff retention.

Learning can take different forms: Some foundations help subsidize tuition fees for leadership training. The McConnell Family Foundation supported non-profit leaders in a masters degree study at McGill University.

Others provide funding to bring in speakers on key issue areas for the sector, helping to incubate ideas, explore best practices, acknowledging that we need to do our work differently to get different results. Part of Winnipeg Foundation's support includes mentoring or site visits, similar to Calgary's focus. Their emphasis also includes job shadowing involving youth in better understanding career opportunities in the sector.

### *The experience of the Community Foundation movement*

The approach of community foundations to learning illustrates its value, its relevancy to one's work, its always changing focus, and the resulting opportunities for sharing experiences with ones peers.

- evidence of learning at peer gatherings, regional conferences, national conferences, telelearning forums coupled with clear expectations of participation by CFC and movement as a whole
- financial commitment within individual community foundations for training and development
- relevancy of training and professional development – it is always growing due to the role of CFC staff and staff in larger foundations

Learning is changing too and it ranges from the interests of the younger generation in technology such as face book, but also the value of community knowledge, learning about your community and the issues and most importantly learning from individuals who are experiencing the issues you are trying to address. In our community we call it resident led engagement and leadership – we

also recognize new approaches in reaching people in their own neighbourhoods.

As the Winnipeg Foundation as stated one cannot talk about leadership and succession management in the non-profit sector without talking about the changing nature of our community and the impact of those changes on the nonprofit sector itself.