

## **Building Tomorrow's Nonprofit Work Force**

*By Paul Schmitz and Kala Stroup*

The nonprofit world could find itself on the brink of a leadership crisis if it does not act quickly to attract, retain, and develop the skilled, committed and diverse workforce it needs in the decades ahead. At a time when nonprofit groups face increasing expectations, scrutiny, and competition, this issue must be at the top of the agenda of all types of organizations.

When a large percentage of nonprofit organizations fail to invest adequately in attracting and developing talented staff members, the pool of leaders for today and the future is diminished. Solving the nonprofit world's work-force problems will take a large, unified effort.

Charities, foundations, businesses, and governments all need to realize how society will suffer if nonprofit groups are not able to continue to attract the dedicated workers who today hold more than 10 million jobs in which they meet community needs, engage citizens in advocacy efforts, and improve the quality of life of people in the United States and around the world. Many local economies depend on nonprofit organizations to provide job opportunities and attract businesses.

Strengthening the ability of nonprofit groups to fill those roles -- and even simply maintaining their ability to do what they do now -- will require a unified effort by nonprofit groups and new resources to carry out effective solutions. During the past year, we have gathered nonprofit leaders from around the country to discuss the problems and figure out what must be done. Following are some of the key areas that must command attention

- ***Attracting young people to nonprofit careers.*** Despite the unprecedented level of student-loan debts that saddle many students graduating from college and the reputation for low pay, meager benefits and uncertain job security at nonprofit groups, growing numbers of young people express interest in nonprofit careers. Yet very few young people know how to begin seeking such jobs, and college-career service centers and nonprofit recruitment efforts are not providing much help. For those young people who find their way into a nonprofit organization, very few organizations train and support them effectively.
- ***Developing potential leaders.*** Nonprofit groups often lack the time, attention, and resources needed to nurture and support emerging talent. With fairly flat hierarchies, many organizations offer limited opportunities for internal advancement. Only 27 percent of nonprofit employees are satisfied with chances for advancement. Top executives -- many of them baby boomers -- are soon planning to retire or go to other jobs, several studies have found, but few organizations have succession plans or successors on their staffs. In other cases, the lack of retirement benefits or new professional opportunities have prevented older leaders from stepping aside and creating room for new leaders to advance. The grant-making process used by many foundations has also hobbled the development of new leaders. The adage that people give money to people, not programs, is very true -- and the practice inadvertently leads to a focus on the chief executive rather than the leadership of staff throughout the organization.
- ***The shortage of expertise in management and personnel issues.*** Lack of staff development, high turnover, and poor management practices limit the efficiency and effectiveness of many organizations. Only 12 percent of nonprofit organizations have a

dedicated staff member who focuses on personnel matters, and at 53 percent of nonprofit organizations, the executive director handles all human-resource duties. Only 10 percent of leaders of small organizations have received any human-resources training, yet even large organizations with human-resource departments face workforce challenges. One in three nonprofit employees leaves his or her job in the first two years. Burnout is also a major challenge – 70 percent of employees reported that they had too much work to do, 75 percent called their work frustrating, and most believed they lacked the support and tools they needed to do their jobs effectively.

- ***The balance between the growing need for strong nonprofit management and the cultural and ethical values of the nonprofit world.*** Many of the people now retiring – or about to step down – as nonprofit leaders advanced to leadership through social activism, while many of their successors are advancing through business schools and fund-raising departments. The professionalization of nonprofit management has been a positive and necessary trend, but it is a mistake to trade off the important activist roles played by leaders of nonprofit organizations. Leaders should be concerned not just with their own organization's well-being, but with the overall well-being of their community or cause. Nonprofit groups need skilled managers who advocate for social issues that go beyond filling their own coffers, collaborate with a wide array of organizations, engage citizens in their work, and value inclusion, ethical practices, and accountability to the people they serve.
- ***The diversity challenge.*** The pipelines both into the nonprofit world and within it must explicitly promote the attraction, retention, and advancement of those who are underrepresented in leadership, especially people of color. The focus on race and ethnicity does not deny that women, people with disabilities, and gay workers face challenges at nonprofit groups. For example, women make up 73 percent of the workforce, but still too often face glass ceilings. The continued lack of people of color in leadership positions at major community and national organizations, however, is especially appalling considering the constituencies served by most of these organizations, the diversity of nonprofit workers in entry-level positions, and the millions spent on diversity training and related efforts in recent decades. Building the next generation of leadership must mean making more deliberate efforts to develop leaders who are people of color or who come from other groups not well-represented among nonprofit leadership, confronting the power and privilege that exists in the nonprofit world, and breaking down the generational, cultural, and structural barriers that limit the support and advancement of diverse leadership.

Some efforts are under way to deal with these challenges, but none are widespread enough to adequately solve the size and scope of the sector's work-force needs. While more research is needed on work-force development issues and practices, conversations with leaders from human-service organizations, advocacy organizations, universities, and foundations suggest some ways to create a more comprehensive system for attracting and developing a diverse and talented nonprofit sector work force. Among the approaches that can be taken by key segments of society :

- ***Government and private donors.*** AmeriCorps, the federal national-service program through which more than 400,000 young people have served at nonprofit organizations, could be expanded with programs that make a more deliberate efforts to prepare young people for careers at social-services organizations. Private funds could similarly support young people starting careers in advocacy organizations. Student-loan forgiveness and tuition subsidies could be powerful incentives for young people considering careers at

nonprofit organizations, and a marketing campaign could reverse the negative reputation of charitable organizations as places to work. A Small Business Administration-like agency could support social entrepreneurs, especially people of color, to obtain access to money and other resources they need to expand their work forces and build their capacity to serve society.

- **Higher education.** Colleges and universities should expand “service-learning” programs that combine academic studies and community service and offer other volunteer opportunities to expose young people to the range of career options at nonprofit organizations, offer more courses that promote and prepare young people for nonprofit careers, ensure that career-service centers promote nonprofit opportunities as viable career options, and strengthen nonprofit academic centers. In addition, colleges need to demonstrate through their own actions what civic engagement means; it is not enough simply to teach it.
- **Grant makers.** Foundations and other donors should earmark money in their grants for the development of a grantee's staff members, as well as step up support for broader workforce- and leadership-development activities. They should request succession and staff development plans from organizations seeking money, just as they ask for other evidence that a nonprofit organization is strong enough financially to carry out a project. They should also get to know all of the organization's top managers, not just its chief executive. Foundations must also develop their own leadership more effectively and focus on the diversity of their boards and staffs and how the composition affects their decision-making and the relationships they build with grantees and others.
- **Nonprofit boards.** Trustees must take more responsibility for ensuring that their organizations are developing their employees effectively. Boards should ensure that they have fair human-resources policies, clear review processes, staff-development plans (including for the executive director), adequate compensation packages, and succession plans. Boards should also explore organizational structures that might do more to empower employees and enhance the ability of staff members to play strong leadership roles.
- **Watchdog efforts.** Groups must be held accountable for diversity, perhaps through an independent Guidestar-like entity that could administer a scorecard on the policies, practices, and results of nonprofit groups in the recruitment, retention and advancement of diverse leadership.

All parts of the nonprofit world must unite to develop additional ideas and push for resources to be directed toward the most-promising approaches. At a time when nonprofit groups are being asked to do more with less, steps should be taken to assure that a talented and diverse work force is available to ensure the future effectiveness and growth of organizations working to improve communities at home and abroad.

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