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## CANADA'S NONPROFIT SECTOR: THE PEOPLE CHALLENGE

Joanne Linzey

IMAGINE CANADA'S NATIONAL ENGAGEMENT STRATEGY DOCUMENT (IMAGINE Canada, 2011) states that improving conditions to attract and retain paid staff is one of four priorities.

Issues related to human resource management are not new in the nonprofit sector. In a seemingly endless cycle, every few years we identify our strengths and our challenges, as we have done time and again. The Engagement Strategy document reflects what we have been hearing for years; we have all participated in studies, task groups, and surveys that all essentially tell us the same thing: we need to ensure that the sector can attract and keep skilled people.

It is necessary that we create a new narrative if we are to succeed in accomplishing this goal.

In writing this article, I note that I have been asked to focus on paid human resources within the nonprofit sector. This does not in any way detract from the need to think more comprehensively about *all* people resources, including volunteers. In this context, my comments will address three of the people issues the Engagement Strategy document has raised: compensation, attracting young people, and leadership.

As an overarching comment to this piece, I think the fact that we talk about human resource challenges as a "sector problem" stands in the way of developing effective strategies. Indeed, the opening paragraph of the Engagement Strategy document recognizes that, as a sector, we are amazingly diverse. It can be argued that the only thing that truly unites us is that we all work toward building capacity in the individual, the family, and the community, and that we all have some form of volunteer governance. If we are to develop effective strategies, we have to stop talking about the needs of the "sector" because such a dialogue misguidedly implies that we are a homogenous group and that more than 160,000 organizations face the same issues to the same degree.

### COMPENSATION

I am convinced that it is unwise to attempt to develop a national generalized campaign aimed at improving wages and benefits. The reason is simple: the fact that nonprofit organizations are not homogenous across the board means that compensation packages of necessity vary widely and dramatically. Many nonprofit organizations, such as foundations and large national organizations, offer very substantial compensation pack-

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ages. There is no need to develop strategies to raise the level of compensation offered by these organizations. On the other hand, there are many employees, particularly in small and in rural organizations, who are inadequately compensated for the work they do. A focused strategy, rather than a generalized campaign, will best serve to address these inadequacies.

We also need to be careful about making comparisons to other sectors. We often compare our sector to the public sector, but rarely do we think, for example, about those who try to make a livelihood as small-business owners – those men and women who typically live on the financial margins, with few or no benefits, working long hours to keep their businesses afloat. We will not receive much sympathy from them if we attempt to make broad comparisons instead of engaging in a nuanced, contextually sensitive, discussion.

Finally, we need to be mindful that any discussion in the public domain about the level of pay and benefits for our employees must be carefully crafted. We are already fearful that the public will react badly when they hear about high salaries – no matter how justified the salaries are.

If we cannot mount a generalized campaign around what employees are paid, what can we do?

We must put this issue squarely in front of the boards that govern our organizations. Boards must understand that the issue of compensation is one that they cannot ignore if they hope to attract and keep good employees. Senior staff can and do play a role in helping boards understand and assume their responsibilities in this regard; unfortunately, the reality is that in many organizations, the executive directors do not themselves understand how an effective board works or their role in helping to build one. While there are many stellar boards, rationalizations for not addressing compensation inequities still abound: “We just can’t afford this.” “That is more money than I make!” “This is a volunteer organization” (and, by implication, we should not have to pay competitive wages). “Our staff seem happy enough.”

These excuses must stop.

Our boards must not only support fair wages; they must also be able to support them publicly. We live in a world where it is acceptable to pay enormous salaries to the heads of large corporations, while at the same time most day-care workers receive salaries below the poverty line. This is a societal issue – one that we will not solve in isolation. To have fair salaries for all would mean a major shift away from what our society accepts as tolerable. For this reason, I think it short-sighted to assume that the issue of compensation is going to be resolved in the near future.

In the meantime, we must recognize that working in this sector does have advantages, and it is imperative that we find ways to convey to prospective employees what these advantages are. We know that people who are part of a community – who have a chance to help create change in the lives of others and who participate in civic life – are happier individuals. Working in our sector offers people a chance to make those connections

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and to become part of something bigger than themselves. In short, we offer them an opportunity to get to know their communities, a way to effect change, and a chance to help build the kind of society we want. Having a sense of purpose is a powerful motivator, and it is one we need to promote when seeking to attract staff.

## **YOUNG PEOPLE**

We have spent a lot of time trying to understand what will bring young people into our sector. Our surveys tell us that they want good compensation, clear objectives, opportunities for promotion, and recognition. We also know that they will not stay in the same job for many years. While I am sure these findings are true as generalizations, we do young people a great disservice if we think that these are the only drivers that are important to them.

Those of us “of an age” need to think back to what attracted and kept us in the sector, often for decades. For me, in my twenties, it was that sense that there were injustices to be addressed; there were things that had to be changed, and I was going to be part of that. That sense has remained a compelling and ever-present motivator for me over the years.

I would argue that many younger people today want the same thing. I meet them all the time. They care deeply; they want to “make a difference.” They would certainly be attracted by what we can offer: challenging work, an opportunity to explore ideas and meet interesting people, and flexibility in hours and place of work. But they are often not presented with opportunities to explore what it might be like to work in our sector.

It might be time to take a look at developing a sector internship program. The question of internships is receiving much attention these days, in part because the use of interns has spread far beyond the usual professions such as journalism. All too frequently, interns are unpaid and receive little training or mentoring. Could we create a national internship program that offered interns real job assignments, wages, mentoring, and coaching? Our goal could be to get young people into the nonprofit sector – not into a specific organization. While this may sound contradictory to my argument that we need to stop talking about “the sector” in general, it is not. Rather, I see it as way for young people to see the vast range of opportunities that lie within a very diverse and complex nonprofit world.

I would caution here that younger generations work differently than we do, but they will get the work done if we can free them from the bureaucracy we have developed over the decades in our attempt to manage better. This is an issue that deserves more than a passing comment, but it is not within the scope of this article.

Before leaving the question of how to attract young people to our sector, I want to note that when young people are drawn to us, they often are interested in international development work. It is in this context that I found one objective in the Engagement Strategy document surprising: to “create and support linkages, networks, and collaborations to enhance our effectiveness as a sector and our impact across Canada and around the world” (Imagine Canada, 2011, p. 1). What does this mean? Perhaps it is the language of the statement that I find disquieting. We have no moral authority to spread our impact around the world. Rather, I hope that we can mentor young people to understand that

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the people they want to help in other countries have invaluable local knowledge and that what works in Canada may or may not be appropriate in other cultures. From my years of working in Brazil, I know that what is most valuable to others is what we have learned, not what we do.

#### **LEADERSHIP**

I would like to turn to the critical issue of staff leadership. The report states that “if there was one consistent message that emerged from these conversations, it was that our sector has a leadership role to play in communities, in provinces, and on the national and international stage” (Imagine Canada, 2011, p. 2).

But what do we mean by leadership? We have all been in many conversations that focused on developing the needed competencies of leadership. It is time to move on from these conversations. Recent events confirm that it is time to focus on developing a particular kind of leadership.

The overwhelming, astonishing, and heartening response of Canadians to the death of Jack Layton should tell us that Canadians are looking for people who can, in the words of Rich Harwood of the Harwood Institute for Public Innovation, “make hope real” (Harwood, 2007). Citizens are fed up with the nastiness and negativity that barrage us at the political level. I believe that there is a space and a rare opportunity for our sector to provide the kind of leadership – based on hope and action – that people are seeking.

Many of our organizations are inward facing. Oftentimes, we don’t understand what is held valuable by the communities we serve – their aspirations, concerns, strengths and challenges, issues, and history. All too often, “engaging with our communities” means that we talk with large donors, with other funders, with people who are close to us; rarely do we seek out a broader audience. We are so consumed with strategic planning, with developing outcomes, with responding to donors or funders that we have forgotten how to listen and how to get out of the office and walk in the community. We find ourselves reluctant to put ourselves in unfamiliar situations.

If we do not know what our communities aspire to, if we do not understand what the community is ready for, then our strategic plans will often be irrelevant. We need leaders who can turn our organizations outward. It is time for us to be deliberate in finding, nurturing, and supporting those who can make hope real. Such leaders know how to build places for civic discussions. They know how to create teams that can build and implement change strategies that communities will mobilize around because the planned actions tackle issues that they care deeply about.

But let us not assume that this kind of leadership is easy. It’s not. It is not about endless conversations and long, drawn-out processes. These leaders should be prepared to take calculated risks and to make very tough choices so that the right work gets done. In creating a new kind of organizational culture, these leaders will greatly improve our ability to effect change in our communities.

The Engagement Strategy document states that the sector wants to send a message about the role “we play in creating and recreating the social fabric of our country through civic

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and community engagement and self-expression” (Imagine Canada, 2011, p. 3). There are exciting possibilities for crafting a single compelling message that we help recreate the social fabric of our country by taking actions based on the aspirations of those we serve. Ours is a message of hope and action. Let us be excited about this.

But how do we succeed in getting the kind of leadership I have been talking about?

## **GOVERNANCE**

Again, we must circle back to the board of directors. A board must first be committed to the notion that contributing to the recreation of our social fabric is aligned with the mission of its organization. Many organizations will say, quite appropriately, that this is not part of their mission. But for those who see themselves as change agents, the key to their success is finding the right staff leadership.

Many boards are woefully unprepared when it comes to hiring senior staff. A friend was headhunted recently for the executive director position of a local affiliate of a large national organization. The interview was very short, and it appeared that the board hiring committee had not read his résumé. They did not ask any tough questions, and the session lasted less than 30 minutes. He was most amazed when they called him back for a second interview, which in fact turned out not to be an interview but a job offer. When he commented that he thought the first interview was a bit peculiar, they assured him rather happily that they had no questions because they determined from reading his résumé that he really was the best qualified. They then added that the candidate who followed him had an even shorter interview because they had made up their minds before the interviews were completed!

Boards tasked with hiring leaders who can make hope real will find themselves particularly challenged. They will have to think about how to describe the qualities they are seeking, how they will know when they have found the right person, and how they will support the new leader once in place. It strikes me that there is much work to be done to bring boards to the position where they have both the will and the capacity to look for and recognize this kind of leadership.

I have argued that boards play a critical role in matters relating to staffing and leadership. There are 85,000 registered charities in Canada, the majority with a board of directors. When a board functions well, it is an enormous asset to an organization. However, my observation is that the majority of boards do not have the capacity to effectively govern their organizations. Nonprofits are evolving and changing in response to societal changes, but the legal and fiduciary responsibilities and roles of boards are not. I think that it is time to turn our attention to creating new nonprofit governance models that reflect the reality of our times.

We have said that attracting and keeping paid staff is our number one priority. In order to get moving on solutions, perhaps it is time to ask a small group of wise members of our sector to focus their talents on developing specific plans to address the challenges we face. This group should be innovative, bold, focused, and strategic.

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It is up to us to take action; no one else has the capacity or the will to do it. We need to get to work now if we are to remain a vibrant part of ensuring that Canada is a country that truly cares about all of its citizens.

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