

# **NOVA SCOTIA'S NON-PROFIT/VOLUNTARY SECTOR LABOUR FORCE**

## ***Discussion Paper***

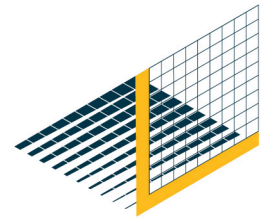
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# **EXECUTIVE SUMMARY**

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According to Statistics Canada (2003), the non-profit sector in Nova Scotia is comprised of 5,829 organizations that employ 36,098 persons. The non-profit sector is known for playing a significant role in provincial society and perhaps less known for its significant contribution to the economy. To put this in perspective, the construction sector in Nova Scotia reported annual employment levels of 24 – 28,000 persons over the past number of years. The construction sector has a higher profile as an important sector in the economy even though its total employment level is below that of the non-profit sector.

The primary purposes of this research study are to document the defining characteristics of the non-profit sector workforce and the challenges that exist related to human resource (HR) management. This study of the non-profit sector's workforce is the first of its kind in Nova Scotia, providing important data on which to base human resource strategies for this sector.

Research data was gathered via online surveys, personal interviews with key sector informants and a set of four focus groups. The survey design incorporated some features of a national study conducted in 2008 by the Human Resource Council for the Non-Profit Sector that allows this study to draw some national vs. provincial comparisons.

Key research findings related to workforce characteristics are as follows:

- ❑ Education levels among the workforce are very high, with over 75% having at least one university degree.
- ❑ The workforce in Nova Scotia is better educated than the national average, but salaries and wages paid in the sector are lower.
- ❑ Health benefits are available to about two thirds of the sector's workforce, while less than 40% have access to pension plans.
- ❑ There is a very high level of job satisfaction and commitment to organizations' missions.
- ❑ A substantial proportion (40%) of the workforce has been employed by their organization for less than two years, with "job hopping" evident among younger or entry-level employees. Interviewees suggested that many are employed on a project basis rather than having permanent positions, which helps explain the "job hopping".
- ❑ Women account for over 87% of the workforce, which is about 10% higher than the national average.
- ❑ Through the research a number of challenges affecting human resource management in the sector were also identified: There is a demand from society for virtually all organizations to do more.
- ❑ Long-term stable support is eroding for many organizations due, in part, to a greater reliance on short-term, project funding. There is also a perception of competition amongst agencies for limited funding sources.
- ❑ Tapping into of volunteer support has become increasingly difficult.

Without doubt, there is a wide array of issues that impact both those who work in the sector and clients of the various agencies.

Key issues include:

- ❑ Challenges at a management level being able to dedicate sufficient time and acquire sufficient expertise to cope with human resource issues. Only 13% of organizations have a dedicated staff for HR management, so this function is most commonly added on to another staff position, such as an Executive Director.
- ❑ The practice of “job-hopping” that takes place among the younger segments or entry-level staff of the workforce. This may be tied to the short-term, temporary nature of project-funded jobs.
- ❑ The perceived limitations on career advancement opportunities. Seventy percent of organizations in this study report less than 10 paid staff, consistent with national findings that three quarters of organizations are small, with under 10 paid staff.
- ❑ Rural organizations face additional challenges in recruitment with a smaller talent pool to recruit from and rural transportation issues.
- ❑ The administrative time and cost to recruit new staff is significant, making retention strategies paramount.
- ❑ Competition from other sectors in the economy for qualified staff is tough given the real limitations in non-profit sector wages and benefits. Dissatisfaction with salary and compensation is the key reason cited for staff resigning their positions.
- ❑ Demographic and market forces. The sector is confronting an ageing workforce and greater competition from both government and private sector employers for staff.
- ❑ Unstable or non-permanent employment positions associated with project funding.
- ❑ Training needs and availability related to ensuring it is targeted and cost effective.

# **I. INTRODUCTION**

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In 2007, the national Human Resource Council for the Voluntary Sector in Canada presented labour market information on the voluntary sector at a provincial conference in Dartmouth. While the study had much to share regarding the sector nationally, it also revealed that data for Nova Scotia was not available simply because it had not been collected. This lack of provincial labour market information combined with the challenges being experienced by organizations provided the impetus for a partnership between the Federation of Community Organizations (FOCO) and Phoenix Youth Programs to undertake a first-of-its-kind sector study in Nova Scotia. With funding from Human Resources and Skills Development Canada (HRSDC), FOCO and Phoenix embarked on a 22-month initiative to conduct a human resource study of non-profits in Nova Scotia. This initial research report outlines the research findings and identifies key trends for discussion. These findings will be presented at a provincial research conference on October 25<sup>th</sup>, and feedback from conference participants on the research data will be part of a final report scheduled for December 2010.

## **1. STUDY OBJECTIVES**

The objectives of the study as taken from the Request for Proposal are as follows:

- ❑ Determine the size and scope of the sector in Nova Scotia in relation to economic contribution.
- ❑ Educational and training experience, employment history and compensation (salary and benefits) for staff at all levels including, but not limited: frontline workers, middle managers, senior managers and executive directors.
- ❑ Rates of staff turnover as well as push and pull factors associated with staff turnover /mobility.
- ❑ Identification of short-term and longer-term knowledge, skills and expertise needs for the sector.
- ❑ Identification of specific challenges in attracting and retaining “talent” in Nova Scotia non-profit/voluntary sector organizations.
- ❑ Exploration of current (and possible future) staff retention strategies with a view to future needs.

## **2. METHODOLOGY**

This extensive research project was supported by rigorous framework of project controls. A seven-member provincial Advisory Group met on a regular basis to provide overall guidance to the project, a larger, provincial Sector Reference Group provided feedback and helped pilot-test research tools and methods, such as surveys and focus groups. Finally, the two sponsor organizations each provided a co-chair for the project and employed a project manager to oversee the daily administrative functions.

Over a 12-month period, research data has been gathered from over 400 sector participants via three main avenues. A detailed on-line survey of both organizations and employees was accessible to sector participants for over 9 months. One hundred thirty-one (131) organizations provided information about their individual circumstances related to characteristics of their workforce, their training needs and experience with recruitment and retention of staff. Organization surveys were completed most often by senior staff.

Over 225 employees also responded to the online survey sharing their work experiences, views on work conditions and reasons for working in the sector. They also noted their thoughts on continuing to participate in the sector and what type of training would be useful for career advancement.

Both online surveys were available in English and French and provided the opportunity for both quantitative and qualitative information to be collected. Also a notable feature of the two online surveys is that many of the questions mirrored a national survey conducted in 2008 by the Human Resource Council for the Non-Profit Sector. This has allowed for a comparison and contrast analysis against circumstances in the sector at a national level.

This data was further collaborated by the conduct of follow-up interviews with many of the organizations who responded to the on-line survey. In addition, four focus groups were conducted to further probe the experience of organizations in various parts of the province.

Extensive literature reviews complimented the data analysis, and of note, the non-profit sector has been analyzed at a national level and excellent research has been done in both the province of Ontario and Alberta. Unless otherwise attributed, opinions expressed throughout the document are those of the consultant.

### **3. ORGANIZATION OF THE REPORT**

#### ***I. Introduction***

In this section we describe the objectives of the study and the methodology used to achieve the objectives.

#### ***II. Summary of Key Findings***

This section provides highlights of trends drawn from the research data.

#### ***III. Survey Key Findings***

This section focuses primarily on the outcomes of the on-line surveys of the Organizational survey and the Employee survey.

#### ***IV. Focus Group and Interview Key Findings***

This section draws on the results of the interviews and focus groups.

#### ***V. Sector Resources to respond to HR issues?***

In this section, we provide a summary of resources identified by participants that can be focused on addressing both issues that currently exist and those which will confront the sector in the near term.

#### ***VI. Discussion Points of Central Issues***

Topics are presented for discussion.



## II. SUMMARY OF KEY FINDINGS

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The research for this project has brought forward several key messages related to the health of the non-profit sector in Nova Scotia. These messages are based on first-hand feedback from over 400 sector participants and reflect the circumstances faced by the sector at this time in Nova Scotia.

- ❑ **Education levels are very high among the non-profit labour force in Nova Scotia:** Compared to the national sector, the education level of the Nova Scotia workforce in the non-profit sector is very high, (Table 3.17). Almost 75% have at least one university degree, which is about 10% higher than reported nationally. This clearly shows the sector in Nova Scotia has been successful in the past at recruiting a qualified and adaptive workforce. According to interviews and focus groups, this has enabled the sector to meet its labour force needs with people that are capable of providing necessary services.
- ❑ **Better qualified but pay is lower:** Despite high education levels, pay as compared to national sector participants, is markedly lower - in Nova Scotia almost 65% earn below \$40,000 per year compared to national (Table 3.23), where about 45% of workforce earn below this amount.
- ❑ **Availability of health benefits comparable to national sector benefits – pension plans a concern:** Approximately two-thirds of Nova Scotia organizations provided access to various health related benefit plans, (Table 3.24). The Nova Scotia results are very similar to national medium-sized organizations. The availability of pension plans is a concern, as only 35% of organizations in Nova Scotia do not offer such plans.
- ❑ **Women account for 87% of the workforce:** This high ratio compared to the national sector where women account for 76% of workforce. This issue was also a topic of discussion in both interviews and focus groups. Of note, sector managers referenced the workforce challenges associated with the provision of maternity benefits. This impacts their sector disproportionately to other sectors where a more gender-balanced workforce exists. Participants also suggested this may also account for the lower rates of pay in the sector.
- ❑ **Over 40% of workforce has been with their employer less than two years:** This increases to 60% working for less than 4 years with their agency. Interviews and focus groups indicated this could be explained, in part, by the project orientation of many positions and the desire for career advancement. This finding does directly impact on the operations and efficiency of organizations, as constant turnover of staff require constant orientation of new employees.
- ❑ **An important warning sign:** A warning sign to the sector is an expectation among one third of all employees that they will have some likelihood of being employed by different organizations within the next year. The two leading reasons relate to dissatisfaction with salary and lack of promotion opportunities.

- ❑ **Recruitment challenges – 75% of all organizations reported having to recruit in the past year:** Almost 35% found it to be difficult or very difficult. Through our interviews and focus groups, we also found that organizations must sometimes hire under-qualified people, as they are unable to find candidates with all of the qualifications they seek. Recruitment challenges were tied to poor pay level offered and the project orientation, thus non-permanent type of positions.
- ❑ **Human resource policies and practices are not well defined:** Only 20% of organizations reported having formal written policies on human resource management, (Table 3.4), and only one-third do formal employee performance valuations. Most often, human resource management responsibility is a part of one person's job responsibilities.
- ❑ **High rate of job satisfaction and commitment to mission:** Almost 90% of all employees stated they were satisfied with current jobs and more importantly, over 96% said they were strongly committed to their work and the cause of their employers.
- ❑ **The sector faces many key challenges:** Through the focus groups and interviews key challenges to the sector related to human resources were noted. The non-profit sector in Nova Scotia is facing major challenges that could have a detrimental affect on their ability to meet their visions:
  - There is a demand from society for virtually all organizations to do more.
  - Long-term stable support is eroding for many organizations associated with a greater focus on short-term project funding.
  - Tapping into of volunteer support has become increasingly difficult.
- ❑ **Challenges at a management level being able to dedicate sufficient time and also to acquire sufficient expertise to cope with human resource issues:** Only 13% of organizations have a dedicated staff for HR management, so this function is most commonly added on to another staff position, such as the Executive Director.
- ❑ **The practice of “job-hopping” that takes place among the younger segments or entry-level staff of the workforce:** This may be tied to the short-term, temporary nature of project-funded jobs.
- ❑ **The perceived limitations on career advancement opportunities:** Seventy percent of organizations in this study report less than 10 paid staff, consistent with national findings that three quarters of organizations are small, with under 10 paid staff.
- ❑ **Rural organizations face additional challenges:** in recruitment with a smaller talent pool to recruit from and rural transportation issues.
- ❑ **The administrative time and cost to recruit new staff is significant:** making retention strategies paramount.
- ❑ **Competition from other sectors in the economy for qualified staff is tough:** given the real limitations in the non-profit sector wages and benefits. Dissatisfaction with salary and compensation is the key reason cited for staff resigning their positions

- ❑ **Demographic and market forces:** The sector is confronting an ageing workforce and greater competition from both government and private sector employers for staff.
- ❑ **Unstable or non-permanent employment positions associated with project funding:** The main reasons for leaving: better opportunities for career advancement and compensation. There is no question that the tight labour market and wage inflation is limiting the ability of non-profit employers to compete for employees. Major employers in other sectors of the economy are taking great pains to fill vacancies – the for-profit sector is offering a variety of non-wage benefits and better pay as well as ‘fun’ workplaces, social incentives and perks like subsidized gym memberships and entertainment vouchers

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### **III. KEY FINDINGS OF ONLINE SURVEYS**

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#### **A. ORGANIZATION FINDINGS**

These surveys were completed by Executive Directors or Board Chairpersons.

##### **1. GEOGRAPHIC DISTRIBUTION OF RESPONDENTS**

An objective of this project is to reflect the labour situation in the sector across the province. Table 3.1 shows the sub-areas of the province represented in the response.

**Table 3.1: Geographic Distribution of Responding Organizations**

<b>Area</b>	<b>%</b>
Halifax Regional Municipality, (HRM)	49.7
South Shore / Valley	20.2
Northern and Eastern	17.3
Cape Breton Island	12.7

It is known that the non-profit sector does have a concentration of organizations in HRM and this is reflected in the responses.

##### **2. TYPE OF ORGANIZATIONS**

In terms of type of organizations responding, there is a near 50:50 split between registered (45.6%) charities and incorporated not-for-profit organizations (51.6%). Table 3.2 shows the main activities represented by respondents. The largest number relates to social services with some concentration in education and research, environment, development and housing, and health.

**Table 3.2: Organizations Main Activities**

<b>Activity</b>	<b>%</b>
Social Services	23.8
Development and Housing	11.9
Health	8.3
Education and Research	7.1
Environment	6.0

### 3. **RESPONSIBILITY FOR HUMAN RESOURCE MANAGEMENT VARIES WITH ORGANIZATION SIZE**

In 62% of organizations, the responsibility for human resource management is typically one part of one person's job (such as the Executive Director, the CEO or other senior manager). Table 3.3 shows the various ways responsibility for Human Resource Management is accomplished in provincial organizations.

**Table 3.3: Responsibility for Human Resource Management in Nova Scotia**

Responsibility	%
Human resources management comprises one part of one person's job, such as the Executive Director, the CEO or another senior manager	61.6
Board of Directors take responsibility	12.0
One person is responsible for human resources management	11.2
Other	9.6
Human resources management matters are not assigned to one person in particular	3.2
There is a separate human resource unit employing more than one person	1.6

At a national level, in most large organizations (61.5%) and some medium-sized organizations (16%), there is a dedicated staff person with sole responsibility for HR management.

We also asked a number of questions related to organizations' human resource plans and policies. The results are shown in Table 3.4. The table reveals that only 20% of organizations have a formal written policy, and approximately 30% conduct formal employee performance evaluations.

**Table 3.4: Human Resources Policy Approval**

Policy	%
My organization has a formal process for assessing/evaluating employee performance with formal discussions and written reports.	30.6
My organization plans for its staffing needs ahead of time in accordance with budget considerations.	25.7
My organization has a formal written policy on human resources management	20.0
The unit or person(s) responsible for human resources management in my organizations also responsible for managing or coordinating volunteers	18.0

## 4. BENEFITS OFFERED BY ORGANIZATIONS

Table 3.5 compares Nova Scotia findings to the National Study. Generally, two-thirds of Nova Scotia workers have health benefits, but less than 40% have access to a pension or retirement fund.

**Table 3.5: Employee Benefits – National Compared to Nova Scotia**

Benefit	Nova Scotia	National		
		Small	Medium	Large
	% of employers that offer each benefit			
Prescription drug plan	67.2	46.3	75.0	92.5
Dental care	65.0	42.8	66.3	85.0
Other medical coverage	64.0	39.2	63.2	80.0
Life and/or disability insurance	64.0	40.4	66.7	92.3
Vision care	63.2	31.9	54.5	75.0
RRSP contribution	41.6	18.1	35.7	47.5
Pension plan or pension contribution	34.9	30.1	34.7	65.0

## 5. NUMBER OF EMPLOYEES

In this study, non-profit organizations in Nova Scotia employ an average of 17 people (including full-time and part-time employees). However, 75% of organizations employ less than 10 staff persons, so larger non-profit organizations are increasing the average statistic. Table 3.6 shows the average for Nova Scotia relative to the national study.

**Table 3.6: Average Number of Employees by Organization Size**

Organization	Average # of Employees	
Nova Scotia	17.2	
National		
Small (1-10 employees)	4.2	
Medium (11-99 employees)	28.6	
Large (100+ employees)	280.7	
Total National	18.2	
Nova Scotia number of organization by number of employees		
Employees	# of Organizations	%
1 – 5	79	57.2
6 – 10	21	15.2
11 – 20	13	9.4
21 – 50	15	10.9
51 – 100	4	2.9
> 100	6	4.3

In Nova Scotia, organizations generally rely on a mix of full time and part-time employees. In this study, 86% of respondents are full-time employees and 14% are part-time

## 6. RECRUITMENT AND RETENTION: EASY OR DIFFICULT?

Many more organizations experience difficulty in recruitment than retention, both nationally and in Nova Scotia.

### **Recruitment efforts by employers**

74.6% of organizations report recruitment activity in the past 12 months regardless of whether or not they actually hired any new employees.

**Table 3.7: Ease/Difficulty of Recruitment and Retention**

	Recruitment		Retention	
	Nova Scotia %	National %	Nova Scotia %	National %
Very difficult	5.9	10.3	4.4	3.5
Difficult	28.1	36.8	14.8	11.0
Neither easy nor difficult	40.7	27.0	34.1	16.7
Easy	20.0	22.1	30.4	30.6
Very easy	5.2	3.8	16.3	28.9

From Table 3.7 we see that almost 34% of organizations in Nova Scotia reported difficulty recruiting and nationally, 47% also found it difficult. Table 3.8 sets out the reasons for the difficulty reported both nationally and in Nova Scotia.

**Table 3.8: Reasons for Recruitment Difficulty**

Reason	Nova Scotia %	National %
Salary offered too low	77.5	67.0
Lack of money or funding	73.3	54.0
Applicants lacked relevant work experience	66.4	57.0
Applicant lacked skills	64.0	56.0
Competition from other organizations or government	55.4	45.0
Few or no applicants	54.4	70.0

## 7. WHAT JOBS REQUIRED RECRUITING?

Table 3.9 sets out a comparison of recruitment requirements by job category for both Nova Scotia and nationally.

Table 3.10 then shows how organizations responded when they could not find a qualified applicant. The main strategy reported was a sharing of job responsibilities.



**Table 3.9: Recruiting for Specific Job Categories**

Job Category	Organizations that Experienced Difficulty Recruiting		Organizations that Hired	
	Nova Scotia %	National %	Nova Scotia %	National %
Senior management	8.4	7.9	10.2	16.1
Mid-level managers & supervisors	6.5	11.1	8.4	18.8
Professionals	16.2	22.7	20.8	39.1
Paraprofessionals and technical staff	9.1	16.7	14.6	34.9
Clerical and administrative staff	5.2	13.7	13.7	38.4

**Table 3.10: Response When Unable to Recruit Qualified Candidates**

Response	Nova Scotia %	National %
Not an issue	28.9	
Share job responsibilities	18.7	32.7
Hire a less qualified applicant	12.8	20.6
Transfer internally	9.1	12.8
Not hire	7.5	19.3
Engage volunteers	7.5	16.0
Contract out	4.8	8.5
Introduced technology to help get work done	0.5	2.3
Other breakdown?	10.2	2.8

**Table 3.11: Difficulty Retaining Current Employees**

Difficulty	Nova Scotia %
Very difficult	4.4
Difficult	14.8
Neither easy nor difficult	34.1
Easy	30.4
Very easy	16.3

## 8. TURNOVER

All types of employers incur a turnover of employees. Table 3.12 compares the national experience to Nova Scotia by job category. Turnover rates in Nova Scotia tend to be lower at all levels.

**Table 3.12: Voluntary Resignations by Job Category**

Job Category	Nova Scotia %	National %
Senior management	10.6	18.6
Mid-level managers and supervisors	12.4	20.1
Professionals	24.8	36.3
Paraprofessionals and technical staff	17.7	28.6
Clerical and administrative staff	12.4	32.2
Other support staff	8.0	30.5

### Strategies to Reduce Turnover

The survey provided a list of actions organizations might have taken in the past 12 months to make their workplaces more attractive. Table 3.13 summarizes the actions taken at both the national and Nova Scotia level.

**Table 3.13: Strategies to Reduce Turnover**

Actions	% of Employees Taking this Action	
	Nova Scotia	National
Introduced or increased flexibility in work schedules	8.0	11.0
Implemented ways to improve communication	7.8	4.0
Introduced or improved efforts to help employees feel they make a difference in the community or lives of others	7.3	
Introduced or improved efforts to make workplace more fun	7.2	4.3
Introduced or improved training opportunities for employees	6.5	5.0
Increased salaries throughout the organization	6.0	16.5
Improved physical environment and/or working conditions	6.0	10.5
Modified job descriptions, duties or responsibilities	5.6	4.6
Invested in work tools or technology	5.5	3.0
Introduced or improved non-wage benefits (health benefits, etc.)	4.6	10.1
Did not do anything to make the workplace more attractive	3.4	28.8
Introduced or improved employee rewards and recognition	2.7	4.7
Improved opportunities to work off site	2.7	
Introduced or increased regular salary increments	2.2	7.1

In Table 3.14, we tabulated the results related to a question about organizations' likelihood of hiring in the next two years by job category.

In Nova Scotia, the job category that has the highest likelihood of hiring is related to professionals, with 23% of all organizations expected to hire. Nationally, this category was also the highest with a rate of 35.4%. In all major job categories, Nova Scotia organizations expected to do less hiring. This is consistent with the voluntary resignation information shown in Table 3.12 where the national groups reported greater resignations across the board. It is also possible that job markets for the sector are tighter (less hiring by competitive employers) in the timeframe in which the Nova Scotia survey has been carried out. The national work was done prior to the recession.

**Table 3.14: Likelihood of Hiring in the Next Two Years by Job Category**

Job Category	Nova Scotia %	National %
Senior management	11.8	14.5
Mid-level managers and supervisors	12.6	20.9
Professionals	22.8	35.4
Paraprofessionals and technical staff	14.6	29.0
Clerical and administrative staff	17.9	28.3
Other support staff	14.6	1.7

## 9. SKILL DEVELOPMENT

An important aspect of a human resource planning is identifying the status of skill sets among employees in a sector. Table 3.15 identifies various skills that respondents felt needed development. The top three areas for skill development are: legal knowledge, marketing, research and campaigning/fundraising

**Table 3.15: Employers Identify Skills that Fall Short of Organization Need**

Skill Area	Nova Scotia %	National %
Legal knowledge	51.9	62.5
Marketing	46.5	48.8
Fundraising/resource development	40.3	42.1
Research	39.8	44.7
Campaigning	35.4	48.2
Understanding of technology	30.2	28.8
Strategic planning	30.5	32.7
Finance	27.3	24.9
Monitoring and evaluation	25.9	30.7
Contract management	23.4	23.2
Proposal writing	21.7	34.3
HR/personnel management	18.0	22.6
Project management	20.6	21.3

Table 3.16 illustrates how organizations support staff development activities. Generally, Nova Scotia organizations lagged behind their national counterparts in offering support by covering expenses or providing time off. In terms of paying expenses, over 75% of national organizations offered such support where as only 69.5% of Nova Scotia organizations paid for staff training. It should be noted in the 12-month period of this survey, Nova Scotia was in a recessionary period, and organizations may have cut back or frozen professional development funds. About 8% more organizations in Nova Scotia provide paid time off to participate in learning and development activities.

**Table 3.16: Staff Development Activities**

Activity	Nova Scotia %	National %
Provided paid time off for employees to participate in learning and development activities, such as taking a specific course, workshop, or attending a relevant conference	70.2	62.4
Paid some or all of the expenses for staff development or skills training, such as taking a specific course, workshop, or attending a relevant conference	69.5	76.3
Provided in-house training programs or courses	61.2	46.5
Provided staff training and development through mentoring, job shadowing, etc.	43.5	42.4
Provided career counseling or self-assessment tools to help employees better understand their skills levels and needs	13.7	19.6
None of the above	6.1	12.1

## **B. EMPLOYEE SURVEY KEY FINDINGS**

### **1. EMPLOYEE DEMOGRAPHICS**

#### **Gender**

Over 87% of employees in the Nova Scotia non-profit sector are female and 13% male. This compares to the national sector where 76% are female.

#### **Age**

The non-profit workforce in Nova Scotia can be characterized as mature with 45.2% reporting their ages to be over 45 years. Under 35 years accounted for 31.3%. The balance fell between 35 and 44 with 23.4% of the workforce. Also of note was the limited number who reported their age to be less than 30 years – 10.4%.

#### **Education**

The workforce in the non-profit sector in Nova Scotia is highly educated. In Nova Scotia, approximately 75% of all employees have at least one university degree with almost one quarter having two degrees. This is significantly higher than at a national level where 45% of the workforce have university degrees.

**Table 3.17: Employee Education Levels**

<b>Education</b>	<b>% of Employees</b>	
	<b>Nova Scotia</b>	<b>National</b>
Grade school or some high school	.4	1.2
High school	2.5	8.5
Some community college or university, did not finish	9.7	18.8
Technical or trade school or community college diploma	13.1	26.3
Undergraduate degree	51.5	31.1
Post-graduate degree (masters or doctorate)	22.8	14.1

Over 80% of employees in the non-profit sector identify themselves as white/caucasian, (Table 3.18). At a national level white/caucasian accounts for 89% of the workforce. In Nova Scotia, 6.8% of employees are members of a visible minority.

**Table 3.18: Employee Group Identification**

	% of Employees	
	Nova Scotia	National
White/caucasian	82.3	89.0
Member of a visible minority	6.8	5.9
Aboriginal	2.4	2.7
Member of an ethnic minority	1.6	2.5
Prefer not to say	2.0	1.9

The vast majority of employees are Canadian citizens born in Canada (86.5%) while 7.6% are born in a country outside Canada and now hold Canadian citizenship. Only 3.8% of respondents are landed immigrants / permanent residents. The citizenship profile of employees is very similar between Nova Scotia's workforce and the national workforce.

## 2. WORK EXPERIENCE IN CURRENT ORGANIZATION

In Table 3.19, we examine the length of time employees have been working for their current organizations. At both the national and Nova Scotia level, the percentage that have worked less than 1 year is very similar at 16.6% in Nova Scotia and 15.7% nationally. A significant difference is in the 1-2 year category where 27% of the Nova Scotia workforce lies compared with about 14% for the national workforce. Generally, the table shows that on a national level, employees have been with their organizations for longer periods of time.

**Table 3.19: Length of Time Employed by Current Organization**

Years	% of Employees	
	Nova Scotia	National
Less than a year	16.6	15.7
1-2 years	26.6	13.9
3-4 years	16.6	16.9
5-9 years	20.1	23.9
10-19 years	15.4	21.5
20+ years	4.6	8.1

We also asked employees about the length of time they have held their current positions. Table 3.20 shows that almost one third of the workforce have had their current jobs for 1-2 years as compared with the national survey where 20% of employees had been in current positions for this timeframe. Generally, at the national level, employees have been in existing positions for longer periods of time.

**Table 3.20: Length of Time in Current Position**

Years	% of Employees	
	Nova Scotia	National
6 months or less	15.3	11.3
7-12 months	12.1	9.6
1-2 years	32.3	19.9
3-4 years	20.2	21.4
5-9 years	11.1	21.2
10-19 years	5.6	13.2
20+ years	3.2	3.5

### 3. **HOW EMPLOYEES LEARNED THERE WAS A JOB OPENING**

Word-of-mouth is the most common way that people learn about employment opportunities in both Nova Scotia and at the national level. Over half of all employees heard about their current position this way. Internet job postings have now surpassed traditional newspaper advertisements as a preferred way of finding job postings. Only 12% of employees learned of the availability of their current positions from newspaper advertisements. Word-of-mouth dominates and we suspect various other social media are increasingly being used as a means of job availability awareness.

**Table 3.21: How Employees Learned About Current Position**

Learned about Position	% of Employees	
	Nova Scotia	National
From people in the organization	29.3	35.1
From friends, family, neighbours or work colleagues	18.1	20.9
Notice in newspaper or journal	12.4	14.6
Internet job sites	12.4	9.9
Internal posting on current organization's website	5.0	13.7

#### ***Why did employees take their current job?***

Employees accepted their current job for many reasons. In fact, over 1,000 reasons were identified in the Nova Scotia survey. One of the highest reasons in terms of mentions is related to “belief in organization’s mission”. Other notable categories include “opportunity for career advancement” and “type of work”.

#### ***Employees' current situations***

Table 3.22 compares the number of employees in various job categories. In Nova Scotia, 42% of study respondents were senior or middle management. National level data shows a higher proportion of employees in clerical or administrative positions than is the case in Nova Scotia. This may reflect the limited number of larger organizations that exist in Nova Scotia.

#### ***Full-time/part-time permanency***

As part of the survey, we asked employees whether they worked 30 or more hours or less than 30 hours. Those over 30 hours we assumed are full-time and those less are part-time. Based on this, 86% of respondents are full-time in Nova Scotia and 14% are part-time. This is a slightly higher ratio to full-time than that reported in the national study where 81% were full-time.

We also asked about whether their jobs were permanent or contract. Just under 70% were permanent employees with balance of almost 30% on contract with set end dates.

**Table 3.22: Employee Job Categories**

Job Category	% of Employees	
	Nova Scotia	National
Senior management	21.0	12.0
Mid-level manager or supervisor	21.0	20.0
Accredited or certified professional	19.3	15.3
Technical staff and paraprofessionals	11.8	11.6
Clerical, administrative or support staff	14.7	25.0
Other	12.2	1.6

#### 4. COMPENSATION AND BENEFITS

Table 3.23 shows the distribution of full-time employees across salary ranges. Across all job categories in Nova Scotia, almost 65% of employees reported salaries under \$40,000. At a national level, only 46% reported salaries below \$40,000. The table shows that generally, lower salaries are earned in Nova Scotia despite the higher ratio of management type positions.

**Table 3.23: Salaries of Employees**

Salary	% of Employees	
	Nova Scotia	National
Under \$19,999	12.4	5.3
\$20,000 to \$39,999	51.9	41.7
\$40,000 to \$59,999	29.2	32.7
\$60,000 to \$79,999	3.9	12.7
\$80,000 to \$99,999	2.1	5.3
\$100,000 or more	.4	2.3

Employee benefits are an important part of workplace compensation. Table 3.24 compares Nova Scotia and the national sector in terms of the number of employees with access to a variety of employee benefits. Generally, over 60% of workers have access to health benefits, but roughly 35% have access to pension or retirement funds.

**Table 3.24: Employee Benefits**

Benefits	% of Employees	
	Nova Scotia	National
Prescription drug plan	70.2	66.8
Dental care plan	66.4	61.4
Life and/or disability insurance	61.3	63.8
Vision care plan	61.3	50.5
Other medical coverage	47.2	52.2
Family and/or parental leave	43.4	39.1
RRSP contribution	36.5	29.6
Pension plan or pension contribution	23.4	45.3

## Overtime

Table 3.25 shows the responses to the type of compensation received for working overtime. In Nova Scotia, the main type of compensation is “equivalent time off.” This suggests organizations in Nova Scotia do have the need for employees to work extra hours but they do not have the financial resources to compensate with pay.

**Table 3.25: Compensation for Overtime**

Type of Compensation	% of Employees	
	Nova Scotia	National
Equivalent time off	59.5	42.0
No financial compensation	16.7	19.3
I do not work overtime	7.6	15.3
Pay at regular rate	3.8	7.4
Combination of pay and time off	2.7	5.7
More than equivalent time off	2.7	9.6
Pay at premium rate	.8	8.2

## 5. JOB SATISFACTION

Generally, employees’ ratings of job satisfaction at work are quite positive both in Nova Scotia and nationally. Table 3.26 shows that almost 90% of employees are satisfied with their jobs both in Nova Scotia and at a national level.

**Table 3.26: Satisfaction with Current Job**

Satisfaction	% of Employees	
	Nova Scotia	National
Very satisfied	37.1	45.1
Somewhat satisfied	51.4	43.2
Neither satisfied nor dissatisfied	3.5	5.1
Somewhat dissatisfied	7.3	4.8
Not at all satisfied	.8	1.7

Table 3.27 further measures employee satisfaction. Consistent with the earlier finding of lower pay rates in Nova Scotia, we see an almost 15% lower level of satisfaction in Nova Scotia with pay. Satisfaction with benefits is more comparable even though there is a lower rate of access in Nova Scotia. Satisfaction with job security is also lower in Nova Scotia. Categories such as employment status and amount of responsibility are quite similar. Generally, satisfaction with opportunity for career advancement and development are lower in Nova Scotia than for the national sector.



**Table 3.27: Employee Satisfaction**

<b>Category</b>	<b>Satisfied</b>	<b>Neutral</b>	<b>Dissatisfied</b>
<b><i>Pay</i></b>			
Nova Scotia	43.4	8.9	46.5
National	61.6	14.0	24.4
<b><i>Benefits</i></b>			
Nova Scotia	51.7	11.2	22.8
National	57.4	21.0	21.6
<b><i>Job Security</i></b>			
Nova Scotia	54.3	16.7	27.9
National	70.1	16.9	13.0
<b><i>Employment Status (FT/PT/Temp)</i></b>			
Nova Scotia	80.2	7.4	12.1
National	86.1	7.0	6.9
<b><i>Amount of Responsibility</i></b>			
Nova Scotia	81.5	7.3	10.7
National	81.8	10.2	8.0
<b><i>Career Advancement</i></b>			
Nova Scotia	32.8	25.1	32.1
National	42.9	32.9	24.2
<b><i>Career Development</i></b>			
Nova Scotia	60.1	14.0	22.9
National	60.4	22.5	17.1

## **6. WORK – LIFE BALANCE**

Table 3.28 shows a very significant difference between the work–life balance offered by the non-profit sector in Nova Scotia compared to the national sector. Although Nova Scotia workers cannot work from home as often (likely due to more front-line nature) they do have much greater flexibility related to workday schedule, vacation days and personal requirements. This may be part of the high job satisfaction rate, and be a significant employee retention strategy.

**Table 3.28: Work-Life Balance**

Work-Life Balance Statements	% of Employees Who Agree “Somewhat” or “Strongly”	
	Nova Scotia	National
<b>Positive Statements</b>		
I can interrupt my work day for personal reasons and then return	84.4	17.8
The number of working hours is manageable	81.9	9.0
I can take my vacation days pretty much when I want to	74.1	18.8
My work day has flexible arrival and departure times	72.5	30.7
I can work from home when and if I want to	44.0	57.5
<b>Negative Statements</b>		
My work schedule is subject to last minute changes	45.9	47.2
My job leaves me with little time to get other things done	45.7	46.3
I often end up working more hours than planned	37.2	29.5

## 7. COMMITMENT TO WORK AND CAUSE

An astounding 96% of employees in Nova Scotia are strongly committed to the cause of their current organization, (Table 3.29). This exceeds national commitment by more than 10%.

**Table 3.29: Commitment to Work and the Cause**

Statements About Commitment	% of Employees Who Agree	
	Nova Scotia	National
I am strongly committed to the cause(s) my current organization support(s)	96.1	85.4
I could work for any organization as long as it supports a cause I believe in	75.0	70.2
I am strongly committed to working for an organization in the voluntary and non-profit sector	66.5	63.8
I continue to work at this organization because I do not have any better alternatives	26.8	25.9

## 8. TRAINING AND PROFESSIONAL DEVELOPMENT

Table 3.30 illustrates employee preferences for various types of training. In Nova Scotia, the first choice was for workshops, seminars and conferences. The next most popular were professional association type programs and university or college courses. On-line training was favoured by about 20% of respondents.

**Table 3.30: Preferences for Types of Training**

Training Types	% of Employees	
	Nova Scotia	National
Workshops, seminars or conferences	83.8	73.6
Professional association courses	51.9	44.2
University or college courses	46.8	38.1
Formal mentoring or coaching	28.9	14.6
Informal mentoring or coaching	27.7	22.3
Courses provided by organization	26.0	36.6
Online training	19.2	19.8
Job shadowing	10.2	11.0
Internships	6.8	8.9

**Table 3.31: Professional Development Opportunities**

Type of Professional Development Opportunity Provided in the Past 12 Months	% of Employees	
	Nova Scotia	National
Paid time off for learning opportunities or skills training	56.2	45.3
In-house training program or course	40.8	50.7
Payment of some/all fees for tuition and career development	33.6	32.7
None	16.2	24.0
Other	10.2	2.1
In-house career counselling or self-assessment tools	5.1	12.1

## 9. GENERIC JOB SKILLS REQUIREMENTS

In Table 3.32 we asked employees to self-assess their generic skill requirements of current jobs. Employees are very confident that their communication, teamwork, and literacy skills fully meet job requirements. Computer skills are also strong, however, the lowest score, which was still 93%, related to numeracy skills.

As a baseline, employees were asked what specific skills were required for current jobs. Table 3.33 shows many employees must possess a wide range of skills to perform their jobs. Client services ranked high as did leadership, strategic planning and project management. Interestingly, the highest specific skills requirement related to working with other organizations. This shows the collaborative nature of the work done in the non-profit sector. Many groups obviously participate in multi-agency initiatives.

**Table 3.32: Generic Job Skills Meet Requirements for Current Job**

Skills	% of Employees	
	Nova Scotia	National
Communication	100	96.7
Literacy for daily activities	99.6	92.2
Ability to work in teams and collaborate	97.9	93.0
Computer skills, including proficiency with computer programs	97.9	80.0
Numeracy for daily activities	93.0	75.8

**Table 3.33: Specific Job Skills Required for Current Job**

Skills	% of Employees	
	Nova Scotia	National
Working with other organizations	83.4	55.8
Public relations	71.1	n/a
Project management	71.1	43.3
Monitoring and evaluation	70.6	57.5
Leadership	70.2	57.8
Client services	69.8	71.3
Strategic planning	69.8	44.1
Research	57.8	37.5
Proposal writing	52.3	28.3
Management of volunteers	51.9	31.4
Fundraising or resource development	48.1	23.6
HR & personnel management	42.1	34.0
Finance	38.3	32.8
Marketing	38.3	22.0
Management of paid staff	37.9	30.8
Procurement & purchasing	35.3	27.3
Managing contracts with suppliers	31.3	19.9
Legal knowledge	28.1	23.1
Campaigning	24.3	13.0
Language skills	9.4	8.2

## 10. FUTURE JOB INTENTIONS

In Tables 3.34 and 3.35, we have summarized employee current job search status. In Table 3.34, over three quarters of those employed nationally are emphatic that they are not looking for a new job. Compared to Nova Scotia, less than half of employees say they are not currently looking for a new job. In Table 3.35, we see that in Nova Scotia, almost one third of all employees feel there is at least some likelihood that they will resign in the next 12 months. Nationally, the comparable figure is about 8% lower, indicating the national workforce is somewhat more stable than our provincial non-profit workforce.

Table 3.34, shows the employee reason for seeking a new job.

**Table 3.34: Job Search Situation**

<b>Status</b>	<b>% of Employees</b>	
	<b>Nova Scotia</b>	<b>National</b>
I am not currently looking for a new job.	47.3	75.7
I am looking for a new job in a different organization.	16.6	11.8
I am looking for a new job either in my current organization or in a different organization.	9.0	8.3
I am looking for a new job within my current organization	3.9	4.2
Other	23.1	23.7

**Table 3.35: Likelihood of Resigning in the Next 12 Months**

<b>Status</b>	<b>% of Employees</b>	
	<b>Nova Scotia</b>	<b>National</b>
Definitely will	3.8	4.6
Very likely	12.2	6.8
Somewhat likely	16.0	13.2
Somewhat unlikely	20.7	15.4
Very unlikely	27.4	27.5
Definitely will not	14.3	29.4
Does not apply	5.5	3.3

**Table 3.36: Reasons for Looking for a New job**

<b>Reasons</b>	<b>% of Employees</b>	
	<b>Nova Scotia</b>	<b>National</b>
Dissatisfaction with salary	52.7	40.9
Lack of promotion opportunities	26.7	26.0
Limited opportunities for career or skill development	19.8	18.2
Current position not challenging	20.6	21.6
Not feeling valued	18.6	19.5
Workload too heavy	14.5	12.3
Dissatisfaction with benefits	16.0	9.6
Keeping all my options open	23.7	33.5
Lack of job security at my current organization	19.8	13.9
Interested in pursuing opportunities outside of the sector	14.5	12.4
Dissatisfaction with current employment status	9.2	12.5
Poor relationship with manager	5.3	11.7
Dissatisfaction with work schedule	4.6	10.2
Poor relationships with co-worker	1.5	4.5
Dissatisfaction with physical working conditions	0.8	6.8

The top reason to be looking for a new job in Nova Scotia is related to salary, as 52.7% gave that as their reason. Salary was also the top reason at a national level, but only 41% noted it. The other top reasons in Nova Scotia included lack of promotion opportunities, limited opportunities for current development and job security.

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## IV FOCUS GROUP AND INTERVIEW KEY FINDINGS

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Four focus groups were conducted across Nova Scotia with approximately 25 participants, and interviews have been completed to date with 30 organizations for a total of over 50 interactions with different organizations. In this section, we summarize some of the key messages provided by participants.

### 1. FOCUS GROUPS

Focus groups were conducted during the month of May 2010 in each of the following communities:

- ❑ Dartmouth
- ❑ Kentville
- ❑ New Glasgow
- ❑ Sydney

The format for each focus group included a presentation of interim on-line survey results to date, followed by a discussion on how the results were either consistent with experience in local regions and if there was important experiences which were not being captured or portrayed in the survey data.

- ❑ **No real surprises in initial findings:** Generally speaking, participants in the sector were not surprised by the key findings, such as – salaries are too low – education levels are very high – there is considerable turnover by younger employees on project-related jobs.
- ❑ **Recruitment of new employees really depends on the nature of the job and the area of the province:** For example, in the Annapolis Valley most available positions attracted sufficient applications from qualified people. In Cape Breton, organizations struggle to fill all positions with qualified candidates.
- ❑ **Transportation for employees a real issue in rural areas:** Public transit is simply not available to many potential employees in rural regions. Organizations report that this has affected their recruitment success for positions at the lower end of the pay scale.
- ❑ **Salary and wages not adequate:** Participants report challenges in attempting to maintain staffing levels when they could only offer pay that is below that available from alternative employment. Examples provided:
  - Accounts of loss of professional employees to government jobs.
  - Out-migration of young people from the area resulting in no applications from young people for non-permanent jobs.
- ❑ **Women comprise vast majority of workforce:** Several facets to this issue were raised:
  - Few men apply for many of the positions.
  - Filling temporary positions are difficult to attract good candidates who are job ready. There is a real cost associated with this.

- Recruitment of senior managers can be difficult in rural areas as often job opportunities for spouses do not exist.
  - Spouses often provide cross-subsidy through better benefit packages that enable women to work in the sector.
- ❑ **Findings related to job satisfaction and commitment must be viewed carefully:** Given the passion for the work, there is danger that employee burnout can occur. In human resource strategies this must be proactively managed for.
- ❑ **Funding challenges directly affect human resource practices:** Without doubt, the number one issue conveyed through the focus groups related to issues associated with funding. An ever-increasing amount of time is spent by senior managers applying for grants or coordinating fundraising activities. Often these same people are responsible for human resource management. The funding challenges impact on the time available for the practice of good human resources management. Needless to say, the level of funding support was also cited as the explanatory variable in why the sector offers generally low salaries and wages.
- ❑ **Networking is second nature to non-profit sector participants:** Most focus group participants noted that they are participants in many partnerships designed for both service delivery as well as targeting common sector issues.
- ❑ **Response of young people to working in the sector:** In two of the focus groups students participated in the sessions. They offered quite strong comments related to low salaries and wages offered to entry-level positions. University and college educations are expensive and many finish with high student debt. These debt levels will prevent many young people from entering the sector in Nova Scotia.

## 2. INTERVIEWS

The interviews with organizations were meant to be a follow-up to information provided in the on-line surveys.

- ❑ **Organizations lack formal human resource policy guidelines:** A key finding of the survey shows that only 20% of organizations have formal policy manuals or even job descriptions. There was a recognized need, but a self professed limited expertise in the field of human resource management. Some groups who reported undertaking this issue as a priority reported success in slowing turnover of staff.
- ❑ **Career advancement opportunity limited:** Due to the size of many organizations, a hierarchy does not exist for staff to move up through the ranks. The number of senior management positions are limited and most are associated with the few large organizations.
- ❑ **Flexible work arrangements have been a key strategy to dealing with turnover and retention issues:** As organizations have faced challenges providing adequate pay to employees, they have successfully adopted flexible work arrangements that have served to meet employee needs. It is recognized that some agencies have more difficulty in offering employees flexible work arrangements, due to the nature of their client services.



- ❑ **Best human resource policy enhancements have a significant participation from staff:** Where joint job analysis has been done in developing job descriptions, the results have been obvious to workers that their input has been reflected resulting in positive results.
- ❑ **Information on pay scales is generally available:** Most organization representatives felt they were quite well informed on the going salary rates for various positions in their organizations. In part, project guidelines dictate what could be provided to line staff. Senior Executives were aware of what others received in their sector for remuneration.
- ❑ **Organizations have been innovative in coping with funding shortfalls in meeting salary demands:** A variety of strategies were noted including extending a number of weeks' vacation in lieu of a salary increase, enhancing days off policies such as allowing for "call in well day", or "birthday off days," etc.
- ❑ **Organizations are noting the changing priorities of younger workers:** New entrants into the sector's workforce are expecting to be reasonably well paid, they are looking for defined career advancement opportunities, they do expect their work to be meaningful and strongly connect to missions. They have a greater expectation related to flexibility in the work environment.
- ❑ **Job satisfaction and commitment to mission are what sustains the sector:** As has been noted several places in this document, this is a key characteristic of the sector. Some Executive Directors offer caution that this commitment has potential to lead to burn out and commitment must be directed in a positive way.
- ❑ **Networks play positive role in addressing human resource issues:** Most interviewees were well connected to other non-profit organizations in their regions. Positive information flow and support was reported. Several also noted involvement in either provincial organizations or national organizations in their area of interest. Often human resource support was available at this level.

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## **V. HR RESOURCES AVAILABLE TO THE SECTOR**

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The sector does have both assets and potential partners that will provide support to deal with human resource challenges. The following resources were identified in focus groups and interviews with respondents and is not meant to be a complete or exhaustive listing.

- ❑ First and foremost, the availability of dedicated leaders associated with the sector – these leaders are comprised of both senior staff and board members of the various organizations. In keeping with this, the highly motivated workforce are key stakeholders in addressing the HR challenges of the sector.
- ❑ The province of Nova Scotia through the Department of Labour and Workforce Development has developed a strategy related to human resource development in the province<sup>1</sup>. The strategy is based on strategic principles of partnership, shared ownership, innovation, protection and talent development. This plan is intended to foster the social and economic well being of Nova Scotians.
- ❑ The Human Resource Council on the Non-Profit Sector is also a resource available to the provincial sector.
- ❑ Capable human resource managers are active within the sector in Nova Scotia and the provincial professional body – the Human Resource Association of Nova Scotia.
- ❑ There are also post secondary education resources available such as those at Dalhousie University, Continuing Education, Acadia University's Centre for Social Business Enterprise, the Nova Scotia Community College and other institutions.

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<sup>1</sup> Nova Scotia Department of Labour and Workforce Development Strategic Plan 2009 – 2013.

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## **VI. DISCUSSION POINTS**

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### **DISCUSSION OF CENTRAL ISSUES**

#### **1. HIGH JOB SATISFACTION**

##### ***Can the high level be maintained?***

As noted in the key findings of our survey, employees reported that they have a very high level of job satisfaction. Job satisfaction in most positions in the general workplace can be attributed to a number of variables including – pay rates, access to benefits, job security, flexibility, access to training, career opportunities. Interestingly, pay rates in the non-profit sector are lower than many other sectors and many do not have adequate job security. It is perhaps the high commitment to the organizational mission that plays a significant role in employee satisfaction.

Participants in the sector acknowledged that organizations are very fortunate to have such a satisfied and committed workforce and they attribute this finding in part to explaining why some employees continue in the sector despite poor salaries and wages.

The Canadian Policy Research Networks (CPRN), 2004 reinforces some of our provincial findings:

- ❑ Job satisfaction is high among non-profit employees.
- ❑ Concerns raised related to pay, benefits and career advancement.
- ❑ There is an earning gap compared to many other sectors.

To explore this a bit deeper, it helps to explain this phenomenon considering that workers in the sector must derive some value from the fact they believe in their organization's mission and their relative contribution toward achieving that mission. In the research done by the CPRN, they refer to this as the intrinsic rewards of working in the sector (fulfilling a valued vision) contrasted with the extrinsic rewards (pay, job security). We would fear that depending on the intrinsic rewards attributable to the work in the sector will not be sustainable over time. Economic realities of workers, such as recent graduates with debt loads and older workers needing pension or retirement support, may not be able to afford to stay employed in the sector.

#### **2. RECRUITMENT AND RETENTION**

Two of the main cornerstones of any organization labour force strategy are directly connected to the retention of dedicated and capable staff and the recruitment of new staff.

- ❑ 34% of organizations reported difficulty in recruiting for available positions.

The survey work completed, combined with the interviews and focus groups conducted for this study, show that some organizations are encountering real challenges attracting people with the right skill sets and required desire to work in the sector.

- ❑ 16% reported difficulty in retaining staff.

The top reasons cited for difficulty in recruiting staff and reasons for voluntarily resigning work are the same:

- ❑ Dissatisfaction with the low pay scale.
- ❑ Uncertainty of the short-term nature of the work.

The survey research and discussion via interviews and focus groups show that staff turnover appears to be inversely related to both job permanency and job tenure; it is also higher “for direct service workers, and for workers younger than 35 years old.” We also understand from our literature review that this is common to the sector in other jurisdictions.

We believe the sector should consider closely aligning with various provincial strategies for addressing labour market challenges. These include recruiting from non-traditional populations like newcomers to Canada, Aboriginal people, recent retirees and people with disabilities.

The on-line survey shows indications of “job hopping” taking place in the sector by mainly younger workers (less than age 35). We recognize that, in part, this is attributable to the project nature of employment arrangements and the maturing of significant portions of the workforce. Recent research in Canada conducted by the “Public Policy Forum”<sup>2</sup> has provided insight to what young people value in terms of work and the workplace and on the understanding of influences, interests and their priorities that shape decisions of whether to stay or leave a job. They also suggests this “job hopping” can cost organizations up to 200 percent of an employee’s salary to lose and replace. Their concern is that in this post-economic downturn era, the competition will become greater for these younger employees.

Key findings from Public Policy Research Forum’s research that are applicable:

- ❑ Mentoring is an essential component of professional development.
- ❑ Flexibility and informal work environments have great appeal to young people. It was pointed out that the information economy has brought about a shift in the meaning of work and work patterns. “Outcomes” should be the focus rather than “attendance” or “face time”. There is a need to increase trust between employers and employees.

Feedback from both our interviews and focus groups shed further light in this issue. Many managers in the sector have limited human resource management training and have inadequate skills to tackle retention issues. Some managers already report that they are in constant recruitment mode. The “job hopping” was seen as a direct outcome of the project nature of a lot of work done in the sector. In fact, some organizations have essentially given project staff permanent status and have taken on the risk of ensuring project funding is renewed. Focus groups and interviewees also recognize that without more prospects of career advancement opportunities, retention of staff could become an even greater issue.

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<sup>2</sup> The Road to Retention, Public Policy Forum, 2010.

### 3. **DEMOGRAPHIC AND MARKET FORCES**

The non-profit sector in Nova Scotia will be affected by a number of demographic trends. Not only is the baby boom generation approaching retirement, there is a trend of decreasing retirement age that is speeding their exit from the general workforce. Our survey data shows a clustering of older workers who hold senior positions and a clustering of younger people holding entry-level positions.

It was noted that several Executive Directors are nearing retirement age and that generally the sector has not done succession planning for these positions. It was also noted that many see a potential future labour pool for the sector to come from early retirees who wish to remain active to some extent in the workforce, perhaps not full time.

A recent survey by the Conference Board of Canada found that “even though many baby boomers will want to supplement their income or keep active after retirement, very few employers plan to recruit from this large, underutilized labour pool”. If the trend continues, it may prove to be a boom to the sector in the short term, whether it can be sustained will remain to be seen.

Another interesting demographic feature is that the overall non-profit workforce is predominately female, so a movement towards earlier retirement is of added significance to our efforts to understand how the non-profit workforce will change over time. Will retiring males be interested in working in the sector?

### 4. **SALARY AND COMPENSATION**

Based on the survey results, wages and salaries paid in the non-profit sector are lower than those paid by other sectors in the economy.

**Table 6.1: Average Weekly Earnings in Nova Scotia**

<b>Sector</b>	<b>Wage</b>
Overall industrial averages	\$762
Educational services	\$818
Health Care/Social Assistance	\$808
Public administration	\$1,015/week June 2010
Provincial government	\$1,142

Source: Stats Can Annual Estimates of Employment Earnings.

In the survey it was noted that over 60% of the non-profit workforce in Nova Scotia earns less than \$40,000 per year, which would work out to less than \$770 per week, which is close to the overall industrial average.

There was a perception noted in the focus groups that organizations with core funding support from government are able to provide more competitive wages and benefits.

While many argue the sector does offer young people first opportunities at career building positions, young students informed one of our focus groups that due to the level of student debts, they will not be able to seek opportunities in the non-profit sector in Nova Scotia unless wage levels increase.

The sector's workforce is predominantly female. Those interviewed who held senior positions made the point that it might not be possible to continue work in the sector if not for access to spouse's stable income and job benefits that extend to families.

## **5. LIMITATIONS ON CAREER ADVANCEMENT**

### ***Career path flexibility***

New entrant employees are often looking for career advancement opportunities. Small organizations often have limited capacity to provide this. Young people report bumping into seniority constraints within the non-profit sector in Nova Scotia, i.e., promotions can be based on time served rather than capability.

Given that three quarters of organizations are small, with under 10 employees, advancement within one organization does have real limits, and advancement opportunities may be better viewed as across the entire sector.

The recommendations of the Public Policy Research Forum, relative to retention and provision of advancement opportunities, related to the following:

- ❑ Recognize and nurture creative thinking.
- ❑ Understand the boundaries of the office have shifted.
- ❑ Maintain open door policies.
- ❑ Show young employees how they can grow.
- ❑ Shift the focus from the bottom line to people.
- ❑ When thinking about benefits, put yourself in their shoes.
- ❑ Stimulate inter-generational conversation.
- ❑ Be a corporate citizen (employers must be open about the environmental and social impacts of their organization).
- ❑ Eliminate gender and culture-related inequities.

## **6. TRAINING NEEDS AND AVAILABILITY**

### ***Education***

Our surveys show non-profits boast a well-educated workforce. In some cases, employers are reporting that they have difficulty hiring people with the qualifications needed for the job but in many cases are able to hire people who can be trained for the position. This applies mainly to non-professional positions. Given the competitive nature of labour markets, this trend is expected to continue and its implications for training needs and ongoing staff development must be considered in the go-forward strategies.

### ***Training & mentoring***

Virtually all of the studies of the sector that looked at human resources issues recognized the need to improve knowledge sharing between veterans, brand-new staff and employees with some experience. We believe the high education possessed by the workforce in Nova Scotia lends itself well to training uptake.



It is fair to say that in terms of urgency, the most frequently mentioned training needs were sub sector, vocation or activity specific and related to keeping abreast of new knowledge and innovative practices for developing and delivering services.

Perhaps the biggest challenge to providing staff with development and training is the availability of resources – financial and expertise.

A number of strategies to improve the ability of organizations to provide their employees with training and professional development were cited in various reports reviewed for this research.

These included the following:

- ❑ Leveraging existing networks to share costs and resources with partner organizations;
- ❑ Cross-training in-house and allowing employees to gain experience or training at another organization;
- ❑ Offering incentives like promotions, and increased wages or education bursaries for staff to take classes on their own time; and
- ❑ Incorporating ongoing employee development into operational practice.

## **7. JOB QUALITY**

Although the high level of job satisfaction could be interpreted as meaning that all is well, there are a number of aspects of job quality that need to be considered by sector human resource planners.

### ***Job permanency***

Job security is a key feature related to job quality and is a major factor that influences an individual's decision to remain with an employer. Contract positions are generally less attractive and they can be more difficult to fill. The lack of job security is also recognized as a contributor to workplace stress and anxiety.

### ***Overtime work***

Administrative and frontline staff, supervisors and senior managers all reported overtime work but there was marked difference in how or if that time was compensated. Front line and administrative staff were more likely to have their overtime work compensated, financially or in the form of earned-time-off.

Often senior managers reported that they, in effect, donate a significant number of hours to their organizations each week.

***Engagement of employees in determining workplace arrangements and job descriptions***

The ability to make alternative work arrangements is one of the more commonly cited job quality attributes in the survey of employees. Employees appreciated the fact that there was often flexibility in working hours with time in lieu of overtime pay available. With a predominance of women working in the sector, part-time work was seen as an important option for workers seeking to better balance jobs and family life.

Through the survey, we observe that the non-profit sector in Nova Scotia has done an excellent job in providing considerable flexibility to employees in terms of hours of work and location. This is commendable and compared to the national survey, the Nova Scotia organizations are recognized for offering good flexibility.

There is still room for further enhancement both in terms of increasing the number of organizations that are able to meet this need and ensuring the type of job features that can be flexible are fully considered. To assume there isn't more to do could stall what is seen as a job asset to work in the non-profit sector.