

The background of the image is a landscape photograph. The top half is dominated by a sky filled with dark, heavy clouds, with bright light breaking through near the horizon, creating a dramatic, high-contrast scene. Below the sky, the landscape consists of dark, silhouetted hills and mountains. In the distance, a body of water is visible, reflecting the light from the horizon. The overall mood is somber and atmospheric.

The

Achilles Heel

of

To find and retain great
personnel, nonprofits must
appeal to their hearts.

by Chris Elias

Nonprofits

A KEY PLAYER in one of my non-profit client organizations recently resigned to go to another company. The reason? Money.

Finding and retaining great personnel is an issue for any organization, but it's especially difficult for non-profits. Funding at all levels is drying up. Government programs are shrinking, and corporations are being much more selective in choosing the recipients of their contributions. Even individual giving is declining as people have less available cash to donate.

In this environment, non-profits must compete more aggressively for a smaller available pool of dollars. It is essential that they provide services at the highest level of quality, a determining factor in granting and giving. Needless to say, the quality of programs is a direct function of the quality of the people in the organization.

Most non-profits focus only on funding and programming; hiring is treated only as a task that must be completed to ensure the job gets done. This is a big mistake. With the wrong staff, everything suffers – programming first, then funding, and ultimately the non-profit's ability to survive.

Non-profits tend to consist of only two types of people: those who are there for their heart, and those who are there

just because they need a job. All non-profits begin with volunteers who are there for their heart. They work very hard, and if the cause is right, the organization attracts money and grows. Eventually, they are able to move from volunteer labor to paid staff.

At this juncture, budget limits the non-profit's ability to compete. Most non-profits cannot afford to compete with for-profit companies on position-by-position salaries. Though some people willingly accept a lower salary because they believe in the cause, many employees work only because they need a job. As soon as they're offered more money somewhere else, they leave.

This category of staff is the Achilles heel of every non-profit organization. If it's just a job, employees will be less motivated and less productive. They tend to think more about self than organization, so internal politics drastically affect decision making. In short, quality is severely impeded when these conditions exist.

So how do we solve these issues? Focus on hiring for heart. To do this, I have found four steps to be invaluable in helping non-profit organizations to attract and cultivate "heart" employees.

1. Hire and Fire for Core Values

We hear so much about core values for a reason: knowing and following them is essential to every organization's success. All relationships succeed or fail based on how well the core values of the two parties align.

Core values should not be confused with personality. Two people may have very different personalities but similar core values, and the relationship will work well. On the other hand, two people with similar personalities but different core values will struggle to succeed together. Good relationships are fundamental to cohesive teams, and cohesive teams are essential to the long-term health of any organization.

Core values are the heart of the organization. Once clarified and understood, they should drive everything the organization does, beginning with hiring systems. Prospective employees should be filtered according to core values before any other considerations. As for current employees, those who do not align with the organization's values will usually remove themselves. If not, the leader must do it for them. Misaligned business relationships are a disservice to both employer and employee, and the non-profit organization, especially, cannot afford to let them continue. This is sometimes painful in the short run, but beneficial for everyone in the long run. It will directly improve employee turnover, morale, and productivity.

The purpose statement should tell the world not *what* you do, but *why* you do it. This will attract employees who *want* to be there.

One might ask, "If finding people is so difficult, how can we afford to be so selective in our hiring?" This is where patience is so very important. Yes, it takes longer to find and hire someone who shares your core values, but if it lowers turnover (and it does), it will save you considerable money in the long run. One of my clients has taken nearly two years to do this, and their turnover is now nearly zero. With the efficiency of aligned employees, they are exceeding their budget by nearly 20%, which is especially impressive in a down economy.

2. Instill the Purpose

Purpose answers the question, "Why do we exist?" Almost all non-profits have a mission statement (too often a paragraph or even a page) that explains what they are trying to do. This is fine for marketing purposes, but it rarely motivates people. A true purpose statement should be simple and clean, telling the world not *what* you do, but *why* you do it. It's easy to remember and can serve as a rallying cry.

For non-profits, this is essential. Consider the donor base. People typically donate money to a non-profit because the organization is fighting for a cause that resonates in their hearts. Most non-profits get this. What they don't get is that mission statements often fail to resonate because they sound like old clichés. A well-drafted purpose statement drives the point home much better. When done correctly, this statement will attract more than donors and volunteers; it will attract employees who *want* to be there.

Drawing from the core values, the purpose statement unites, excites, and motivates employees to higher productivity. In such a work environment, money alone won't be enough to pry workers away.

3. Capitalize on the Available Workforce

In tough economic times, the available workforce grows. It's not just undesirables, either; due to bankruptcies and mergers, many talented workers are looking for jobs.

Furthermore, tough times spur more people to prioritize meaning in their work. This presents a unique opportunity for non-profits.

A proactive organization can capitalize on this available workforce and quickly improve the quality of its people. The first step is to evaluate the current workforce based on the following criteria:

- *Core Values.* Does he share the core values of the organization?
- *Attitude.* Does she enjoy working there? Does she want to grow? Is he a team player? Do they work

beyond the minimum accepted practices of their positions?

- *Skills*. Is he able to do his job and excel?

The first two address the heart component. All are essential. If an employee meets all of these criteria, he's a keeper. If, on the other hand, he will never meet these criteria, then he must be replaced as soon as possible. I am continually amazed at how many leaders willingly tolerate poor attitudes and core value mismatches simply because an employee has the skills for the job. It is in this portion of the workforce that the highest turnover, lowest productivity, and biggest problems will occur.

The next step is simple: take action. Whereas necessary personnel changes should occur regardless of the economy, a struggling economy offers some conveniences. The need for restructuring justifies letting people go, and with more people available, hiring for core values and attitude becomes easier.

A new client of mine is in this process right now. After clarifying core values and purpose, they are reengineering their workforce. Even though it usually takes longer to hire people with the right core values, the large available workforce has made finding good people much easier, reducing average hiring time from 48 days to 22 days. The new hires' hearts are aligned with the organization's core values, so they *want* to be there.

4. Enhance the Workplace with "Non-Compensation" Benefits

When an organization has to cut expenses, these "perks" are typically the first to go. I contend that they should be the last. Many studies have shown that the turnover of one staff member costs at least three times the salary of that position after replacement costs, training, and interim productivity loss are considered.

Furthermore, those who leave on their own tend to be the good ones. Some will leave for more money, but studies have also shown that money is usually not the primary reason that



Cloudscape No. 1298 (Ilivia Yudkin)

people stay at an organization. If you have lost someone for money, the hard truth is that your organization offered them nothing else that enticed them to stay.

Given all of this, the non-compensation benefits usually sacrificed to save costs often pale in comparison to the costs incurred by the turnover that could have been avoided. Examples include employee recognition programs, internal newsletters, birthday parties, and others. These perks may seem insignificant, but to the staff, they help build a great place to work.

Concluding Thoughts

Of all the great ideas to drive productivity, I believe these four concepts generate the greatest and most enduring results. They are simple concepts, but they require focus, time, effort, and guts. Organizations that fail to implement these disciplines inhibit their ability to grow long-term, and in depressed economic times, endanger their very survival.

More than any other sector, the non-profit world demonstrates the importance of having the right people on the bus. These organizations live off the hearts of donors, volunteers, and those who they serve, but without the hearts of their staff, their efforts will prove to be futile.



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