

Nonprofit Hiring Expected to Increase in 2013

By Nicole Lewis

Forty-four percent of nonprofit groups plan to hire more workers in the coming year, another sign charities are starting to feel confident about the economy, according to a [new survey](#).

Health nonprofits, followed by environment and animal-welfare groups, were most likely to report plans to hire.

About a third of nonprofits that plan to hire say they were most likely to add workers to provide direct services, run programs, and raise money.

The study of more than 580 organizations was conducted by Nonprofit HR Solutions, a human-resources consulting firm, and the Improve Group, a consultancy whose clients include charities.

Keeping Workers

While the employment news is much rosier than two years ago, when the survey found that only a third of nonprofit groups planned to hire more employees, several challenges persist.

As nonprofit groups strive to meet growing needs with stagnant budgets, leaders must be careful not to spur turnover by stretching their staffs too thin, say the study's authors.

Nearly three-fourths of nonprofits reassigned tasks to existing employees when other jobs vanished. When that happens, says the report, those employees might feel overwhelmed or resentful and seek new jobs.

Inevitably, the study suggests, staff turnover will also be spurred by the improving economy, as nonprofit groups struggle to offer competitive salaries. Yet employers can do more to keep talented employees: Only 10 percent of organizations surveyed said they have formal programs to keep employees on the job, down from 23 percent the previous year, says the report.

Among other findings:

- About 38 percent of groups cited difficulty in holding onto employees under age 30.
- Just under a third of the organizations cited an inability to offer a competitive salary as the greatest obstacle to keeping staff members.
- One in five groups highlighted excessive workloads and a lack of opportunity for promotions as contributing to an inability to hold onto staff. Nonprofit employers should put a higher priority on retaining workers, says Lisa Brown Morton, chief executive of Nonprofit HR Solutions.

“Salaries and benefits represent the largest component of an organization’s budget,” she says. “If you are going to spend hundreds of thousands or even millions of dollars on many people, it would behoove you to pay attention to what is going on with them.”

She is frustrated by groups that pour money into fundraising and programs but not into developing the people who run them. “Programs can’t be delivered without people,” she says.

Leadership Transitions

Losses of talented workers could be even more worrisome as baby boomers are likely to begin retiring over the next few years, yet 70 percent of nonprofits say they lack a succession plan.

“With the economy warming up, folks who had deferred retirement are considering it,” says Ms. Brown Morton. “We are no more prepared among nonprofit organizations for leadership transition than we were two or three years ago.”

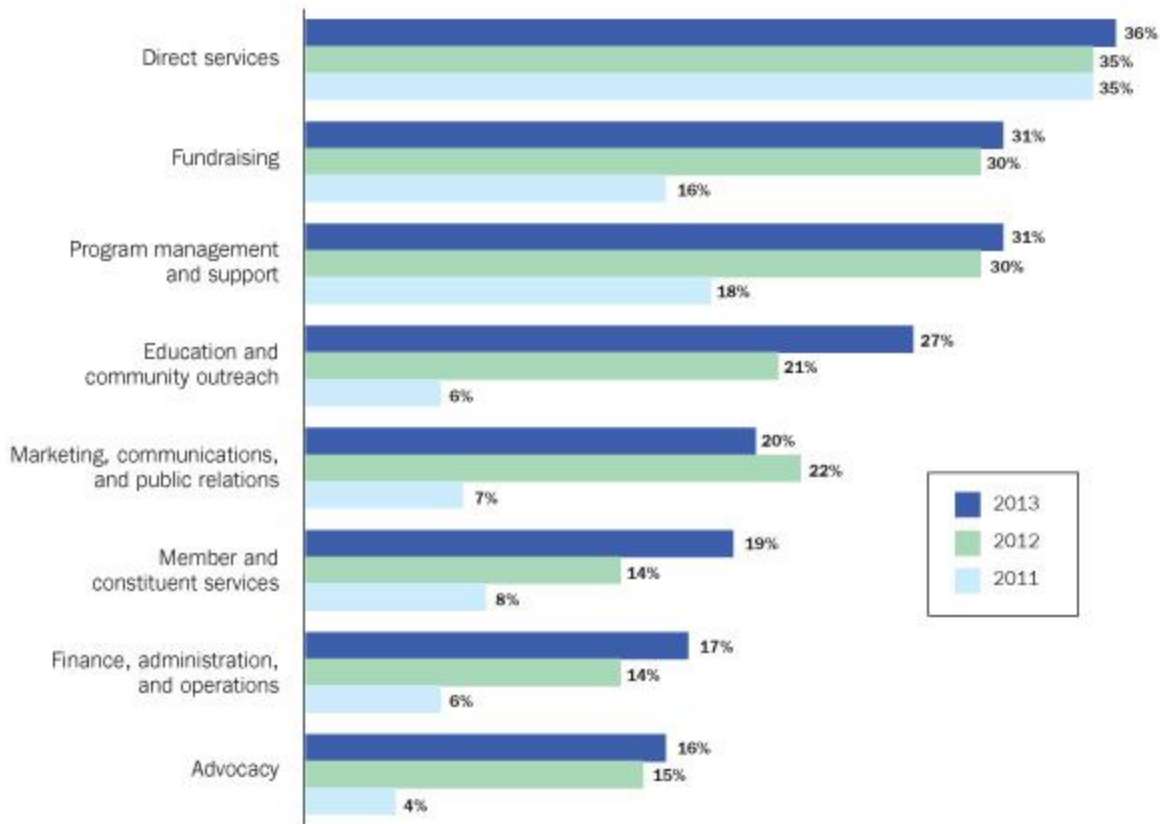
If groups continue to let talented employees slip away, she says, the pool for promoting leaders from within shrinks and charities will spend time and resources hiring new people for senior jobs, losing institutional knowledge in the process.

Organizations without a succession plan say either it was not a top priority or they were too small to need one. The survey’s authors say those responses contrasted with groups that reported that their succession plan brought “peace of mind” for their board and staff members and set the stage for next generation of leaders.

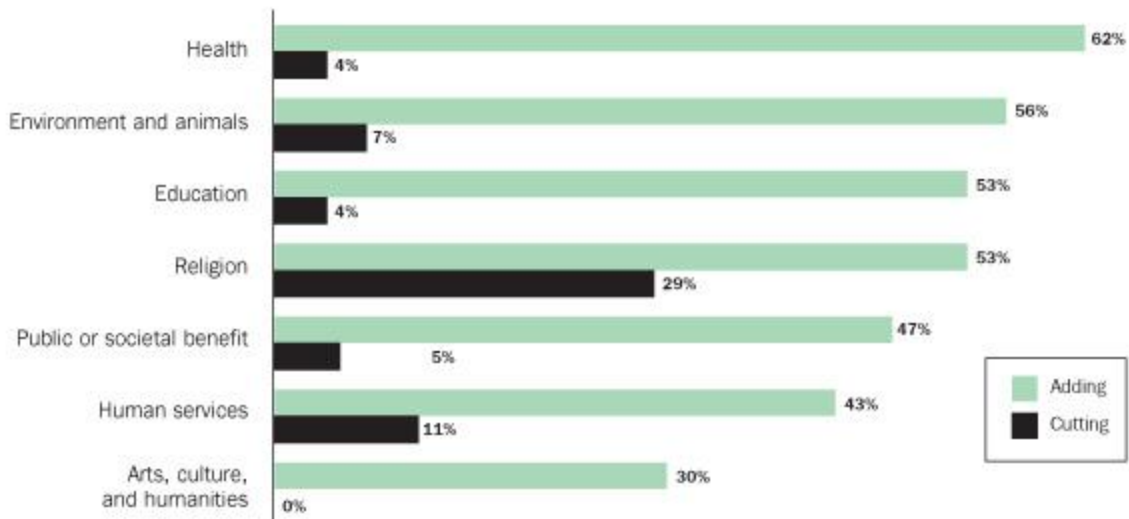
Succession plans are not the only human-resources gap the survey uncovered. Nonprofit groups in the study also said they desired a diverse work force, yet only 37 percent have formal plans to attract a mix of workers in terms of age, gender, culture, and ethnicity.

The Nonprofit Job Market

What Kinds of Jobs Employers Will Add This Year



Which Nonprofits Will Add and Cut Jobs in 2013



SOURCE: Nonprofit HR Solutions