

# Non-Profit Sector Employers' Council

## Early Learning – Shared HR Services Pilots

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Based on a Feasibility Study conducted by the United Way of Northern BC in 2010, the Employers' Council is currently testing two models for shared Human Resources (HR) services in northern and rural communities.

The first pilot, being conducted by the **United Way of Northern BC**, employs an HR professional to provide advice and guidance to Executive Directors (ED) and Agency Managers in 11 small non-profit organizations serving a large geographic area operating out of Prince George. The second pilot, being conducted by the **South Okanagan Similkameen Volunteer Centre**, is testing a train-the-trainer model in very small communities that do not have a critical mass of agencies in a single location to warrant a shared HR professional.

### United Way of Northern BC: Shared HR Professional

The pilot began with a diagnostic assessment of HR practices in each participating agency to facilitate learning about the value of HR metrics and to identify the highest priority issues for each organization. The HR professional meets on an on-going basis with each agency to provide support and advice on the priority areas identified in the assessment; all agencies involved meet quarterly to work on HR issues common to all agencies.

The diagnostic assessments have uncovered some interesting trends regarding the status of HR management practices in nonprofit organizations. The following were observed:

- Almost universally, salaries and benefits are below the private sector rates. This appears to be especially true amongst professionals. It appears that this may soon significantly impede the capacity to recruit and retain a skilled workforce.
- Due to the small staff size, succession planning is felt to be out of the agencies' reach.
- Only a few of the Boards of Directors review the EDs' performance on a regular basis.
- Boards may not fully comprehend the workload or stresses facing their EDs.
- Consistency in interpreting and administering Policies may be an area of concern. And interpretation and execution of the policies may lack consistency. Keeping a file of precedential decisions and/or the rationale for them will assist in alleviating these perceptions.
- With few exceptions, the EDs are alone shouldering the responsibility for management and decision-making and perhaps missing an opportunity to develop staff through mentoring.

Final results will be released in spring 2012, but early learning is emerging from the pilot that may be helpful for organizations considering a shared HR services model:

- Getting the most out of a model like this takes time to build trusting relationships between EDs and the HR professional providing advice and guidance. The pilot has a 10-month timeline which is proving tight for the participants to develop relationships as well as to benefit from sharing, mentoring, coaching and educating.
- The EDs participating are committed to the project, but they feel stretched thin and concerned about the time the project is taking. In spite of these misgivings, they are

concluding that the investment will be worth it if they can bring their HR knowledge and practice up to speed and have a more pro-active approach to HR issues.

- The project team believes it may be helpful to articulate the professional role of an HR specialist working with non-profits and the limitations of that role. For example, the role of the HR Specialist is to support effective organizational HR practices whereas the role of the Board is to set HR policy.
- Upon reflection, the project team has realized it would have been beneficial to more directly involve a Board Member for each organization in the pilot and to have had the opportunity to present the project to the Boards as a whole (note: we did in that the assessment involved a Director interview). The pilot reveals that Boards of Directors are not always modeling HR best practices. For example, some organizations are not completing regular ED Performance Reviews and appear to lack an understanding of the risks inherent in poor HR practices.
- Often, small non-profit agencies are unable to access (hire or find) needed and/or mandated expertise and Board members may fill up the gap. This can cloud issues of leadership, responsibility and lines of reporting for staff and the Board members.
- For the most part, agencies are reactive overall in their HR practices and there are challenges in trying to shift to a proactive approach.

### **South Okanagan Similkameen Volunteer Centre: Train-the-Trainer**

The second pilot provides training support to ten small organizations operating in small distributed locations in the South Okanagan. The pilot also began with an assessment of high priority HR management areas and develops training materials and tools to help EDs of very small organizations to improve HR management practices.

Many of the agencies participating in this pilot identified areas for shared learning:

- Establishing Performance standards and evaluation: Most participants undertake annual job reviews but few have established performance standards.
- While the majority of participants have policies and procedures for employees in place, these are informal and undocumented.
- Eighty per cent of agencies identified needing support to promote a positive image within their community. They need policies and practices to help prevent abuse or unfair destructive comments by disgruntled clients or members, board members, employees or volunteers. Agencies have expressed a need for policies, codes and/or legal agreements signed by all staff, volunteers and board members around conflict of interest, ethics and confidentiality. Reactive protection may also be needed when clients, who may be under emotional duress, react in an unsafe manner towards staff.

Final results will be released in spring 2012, but early learning is emerging from the pilot that may be helpful for organizations considering a shared services model:

- Additional funds would allow agencies to hire needed staff.
- With additional funds, EDs would be able to focus all their time on running the organization including establishing and documenting policies and procedures, rather than splitting their focus between management and frontline work of running programs.

- Most staff are permanent part-time who work more hours than they are paid for. Additional funds would enable organizations to pay staff for the hours they work.
- With more money agencies could pay more competitive wages. Currently wages are low, especially for the level of expertise required of the work. The employees are predominantly women and the lack of pay equity in non-profits is certainly an issue.