

Are Nonprofit Organizations Great Places to Work?

By Jeffrey Solomon and Caren Yanis, Leading Edge

Here's a staggering statistic: Within the next five to seven years, 75 to 90 percent of Jewish nonprofit organizations will be faced with the daunting challenge of replacing their retiring CEOs and executive directors.

Turns out a similar climate exists in the general nonprofit sector as well. The *Daring to Lead* report, published in partnership by [CompassPoint](#) and the [Meyer Foundation](#), found that in 2006, 9 percent of executives were in the process of leaving their jobs and 75 percent were poised to leave within the next five years. As of 2011, 7 percent had given notice and 67 percent planned to leave within five years.

The key, therefore, to filling all of these spots with highly qualified individuals is a strong pipeline that leads to the top.

But with organizations already struggling to attract and retain talent, we have to ask ourselves: Are nonprofits great places to work? If not, how do we change course? And if so, how might these already great places become even better?

When former Bridgespan client [Leading Edge](#) published this study, it immediately resonated. Since our 2006 report [The Nonprofit Sector's Leadership Deficit](#) to our more recent research for [The Nonprofit Leadership Development Deficit](#), the message has been loud and clear: We need to do better at attracting, developing, and retaining top talent, and organizational culture and priorities matter in making this happen.

This op-ed highlights the results of a recent survey that asked nonprofit employees what makes their work engaging and empowering. The key findings offer insights all nonprofits can use to help find and keep talent for their organizations.

– *Libbie Landles-Cobb, Manager,*
The Bridgespan Group

Let's start with what we know. Great places to work actively support staff members to do their very best. Effective organizations hone employees' skills, strengths, and interests, thus maximizing their potential. Studies show that a strategic approach to talent management and an overall commitment to workplace culture have clear benefits, namely a greater level of employee engagement that leads to a significantly lower turnover rate and higher productivity that better enables organizations to achieve their goals.

[Leading Edge](#), an unprecedented partnership between Jewish foundations and federations to build a robust talent pipeline for Jewish organizations, recently partnered with [Korn Ferry Hay Group](#), a global leader in employee research, to assess where Jewish organizations fall on the spectrum of great workplaces by conducting a groundbreaking pilot Employee Engagement Survey.

A total of 3,422 employees responded to the Leading Edge survey from 55 organizations that range in size from a handful to hundreds of employees. Organizations include community centers, foundations, religious movements, educational institutions, youth organizations, social justice groups, and social welfare organizations.

While the 55 organizations surveyed represent a diverse cross section of organizations, Leading Edge does not yet have enough data to say with certainty that these survey results perfectly mirror the entire Jewish nonprofit community—or the nonprofit community as a whole. However, our findings do offer a viable starting point for identifying possible levers that can help all of us in the nonprofit sector create better workplaces.

By analyzing responses to statements that gauge how engaged and empowered employees are to do their best work, we can begin to assess how “great” these organizations are and what might be done to help them become even better places to work. The survey provides baseline data and paints a powerful picture of the strengths and opportunities facing this specific sector. But, based on striking similarities with nonprofit organizations in general, it makes sense that the takeaways from this survey can be used to paint even broader strokes.

Here Are Five Key Findings from the Survey

1. Employees are motivated by mission. Eighty-six percent of respondents feel connected to their workplace mission and understand how their work directly contributes to advancing this mission. This number even exceeds motivation found in the general nonprofit population. But, while that sense of purpose is a key driver of all nonprofit employee engagement, a strong sense of purpose doesn't necessarily lead to personal satisfaction in the workplace. The data also show that even employees who are driven by the mission are still a potential flight risk.

2. We need better management practices. Like so many nonprofits, many of the organizations that participated in the pilot survey do not have sufficient systems and practices in place to train new staff, provide feedback, or hold people accountable.

- Only 49 percent of respondents feel new employees receive the training they need to do their jobs well.
- Just 47 percent had a meaningful performance review in the last year, and 36 percent did not receive clear and direct feedback regarding how they do their work.
- Even fewer—41 percent—feel that poor performance is addressed effectively.

Contrast these findings with the fact that 88 percent of respondents feel respected and recognized in their workplaces. Note the interesting juxtaposition: While many managers fail to address poor performance, they succeed at helping employees feel recognized and cared for.

The takeaway here is that we are good at giving a pat on the back for a job well done but have trouble having honest, often difficult conversations when employees are not performing well.

3. Employees are stretched thin. Most people, no matter where they work, want to be paid more. But we noticed an interesting and consistent trend among the employees we surveyed—people felt more strongly about having insufficient staff resources to accomplish their work than they did about their compensation.

A desire to keep overhead low is an obvious culprit, but this might also be a management issue. After all, effective managers help their teams prioritize and focus their efforts.

We also know that this work is not easy. People are passionate about making a difference and often work long, hard hours to have the impact they wish to achieve. So working efficiently is especially important in this sector.

4. We lack clear career advancement opportunities. Only 52 percent of respondents see themselves staying in the Jewish nonprofit sector beyond five years or until they retire. One-third don't plan to work for their organization for more than two years. While compensation is a top-cited reason for why employees look elsewhere, nearly as many (more than 60 percent) cite insufficient opportunities for career advancement as the cause of their wanderlust.

While some survey respondents who intend to leave their organization or the sector will end up remaining, it is clear we need to do a better job of defining clear career paths for rising talent. Employees want to know what advancement opportunities exist so they can work towards them.

5. Confidence in leadership is key to retention. Those who plan to stay in our sector do so because they have confidence in their leaders.

These committed employees cite their leaders' ability to create a culture of open communication and willingness to offer regular feedback on performance. Leaders who provide a clear and promising sense of organizational direction, and instill in their team a greater ability to contribute to the organization's overall mission, end up with employees who feel more engaged and better enabled to do their best work.

Leadership matters. A lot.

Our Next Steps

Leading Edge has conducted one-on-one sessions with almost all of the organizations that participated in the survey, reviewing their results and helping them think through how they might build on their strengths and close the gaps in their weaknesses.

Over the coming months, we will explore how Leading Edge can further support the field, whether by creating tools, delivering trainings, or providing other resources to help organizations strengthen their workplace cultures. While we know there are nuances to this work specific to our identity-based, faith-driven community, we believe the lessons we learn are universal to the nonprofit sector as a whole.

Organizational development is a process, not a destination. This process is about progress, not perfection. We look forward to continuing the journey of helping organizations become greater places to work.

To download the full results from Leading Edge's Employee Engagement Survey, [click here](#).

(This op-ed originally appeared in [eJewish Philanthropy](#).)

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