

Staffing Trends in Canadian Charities, 2012

June 2013

HR Council
for the Nonprofit Sector

HR Council for the Nonprofit Sector

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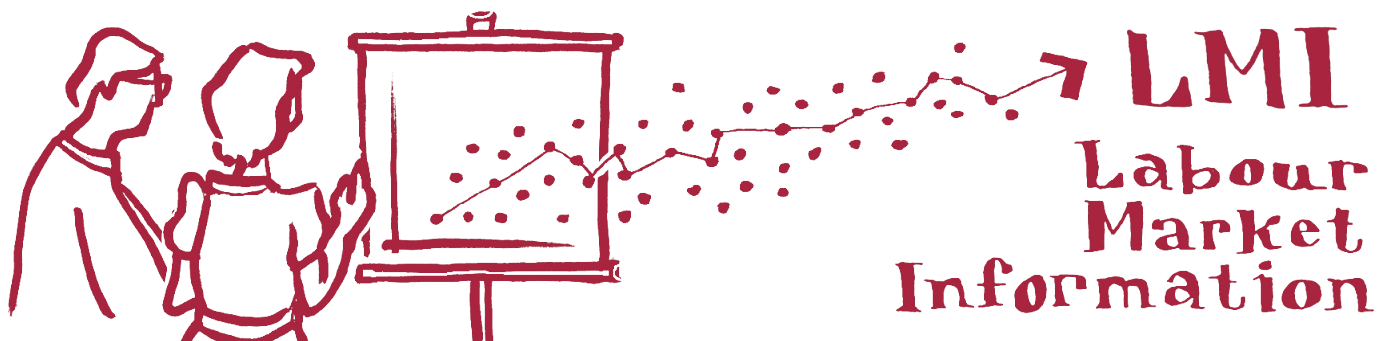
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Highlights

Survey findings reveal some noteworthy trends and challenges associated with particular types of positions.

In the most recent edition of Imagine Canada's *Sector Monitor* survey (conducted between November, 2012 and January, 2013) the HR Council commissioned a number of questions that looked at various aspects of staffing and paid employment.

Hiring activity. Survey findings reveal some noteworthy trends and challenges associated with particular types of positions:

- A high level of "churn" in executive management positions.
- Significant growth in hiring for fund development and grantmaking.
- Pervasive challenges in hiring for frontline mental and physical health service positions.
- Growth in program management and communications positions.

Recruitment and retention. Some trends in recruitment and retention appear to reflect current circumstances while others appear to be systemic:

- **Regional variations.** Recruitment and retention appear to be particularly challenging for organizations located in Quebec, the Prairies and Atlantic Canada.
- **Organizational stress.** Organizations with high levels of stress have increased difficulty with recruitment and retention.
- **Size of organization.** Difficulty finding paid staff with the required skills increases with the size of organization, while difficulty offering competitive wages and benefits decreases with the size of organization.
- **Revenue dependency.** Organizations that are primarily dependent on government revenues have greater challenges with retention.

HR management infrastructure and capacities. Levels of human resources management capacity and infrastructure capacity appear to vary significantly across the sector:

- **Organization size.** Larger organizations are more likely to have higher levels of HR infrastructure capacity and to use formal performance management practices.
- **Revenue dependency.** Organizations primarily dependent on government revenues generally had higher levels of HR infrastructure capacity, even accounting for organization size.
- **Activity area.** Fundraising, grantmaking and volunteerism promotion organizations, health organizations and social services organizations had higher than average formal HR management capacity. Arts, culture, sports, and recreation organizations had lower than average capacities.

Changes in staffing levels over time. While the aggregate number of paid staff has remained essentially unchanged since late 2009, there are indications that systemic factors had an impact within the sector over this period:

- **Size of organization.** The smallest organizations are significantly less likely to report increases in the number of paid staff. Larger organizations are more likely to predict decreases in the number of paid staff, likely as a response to adversity.
- **Organizational stress.** Organizations with high levels of stress are significantly less likely to experience increases in paid staff numbers and more likely to predict decreases.

Introduction

The HR Council commissioned a number of questions that looked at various aspects of paid staff human resources.

The *Sector Monitor* is an ongoing survey program conducted by Imagine Canada. Twice a year, thousands of charity leaders receive e-mails inviting them to participate in an online survey measuring the health and vitality of the charitable sector.¹ Approximately half of each survey consists of tracking questions that are repeated with every edition. The other half consists of questions that explore topical issues of particular interest to the sector.

In the edition of Imagine Canada's *Sector Monitor* survey conducted between November, 2012 and January, 2013, the HR Council commissioned a number of questions that looked at various aspects of paid staff human resources. This report summarizes the survey findings, looking at four key areas:

1. Hiring activity
2. Recruitment and retention challenges
3. Human resources infrastructure and management capacities
4. Change in staff levels over time

¹ *Sector Monitor* participants include registered charities with annual revenues of \$30,000 or more that are not religious congregations. The survey panel (i.e., the list of charity leaders surveyed) is drawn from two sources. Approximately half is a convenience sample drawn from the memberships of Imagine Canada and 23 partner organizations (listed in Appendix A). The other half are organizations randomly drawn from the population of in-scope registered charities. This edition of the survey was conducted between November 7th, 2012 and January 4th, 2013. Invitations to 5,765 charity leaders yielded 1,909 usable responses, a response rate of 33.1%. Responses are weighted according to annual revenue size, activity area, and geographic area to represent the population of in-scope Canadian charities.

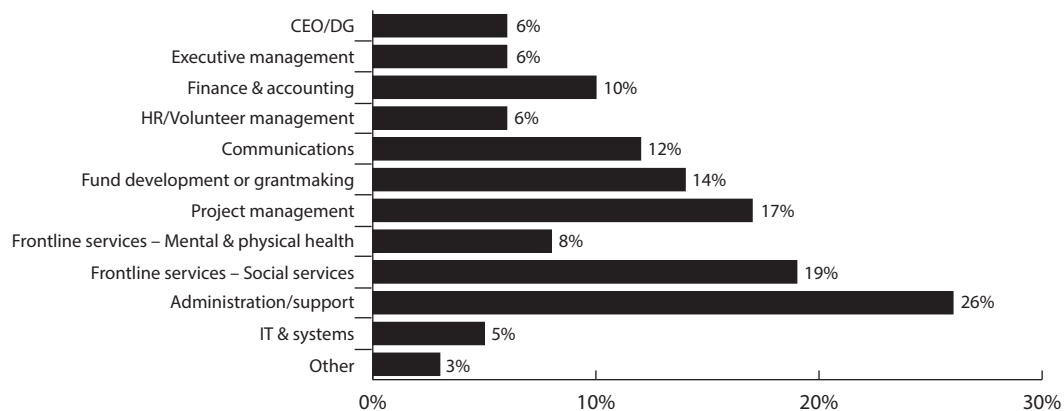
Hiring activity

Together, these questions allow us to assess the level of demand for given types of positions.

The *Sector Monitor* contained a number of questions exploring hiring activities that organizations might have engaged in over the previous year. First, respondents were asked whether they had hired or sought to hire staff for each of 11 specific types of positions, running the full range from CEO to administration and support staff. For each type of position that they had sought to fill, respondents were asked whether the purpose of the hiring was to replace a staff member or to fill a new position. They were then asked to assess the level of difficulty they experienced in filling positions. Those who had hired to replace staff were also asked to compare turnover for the position in the past year to “normal.” Together, these questions allow us to assess the level of demand for given types of positions, the extent to which demand is being met, and to identify positions that might pose particular challenges for organizations and for the sector more broadly.

Demand appears to be highest for administration and support positions. Just over a quarter of respondents said they had hired administration and support workers over the previous year (see Figure 1). Other high demand positions included frontline social services workers and program management. Relatively small numbers of organizations reported hiring for more specialized or less common positions such as information technology and systems, human resources and volunteer management, and senior management positions (i.e., Chief Executive Officers / Directors General and the executive managers who report directly to them).

Figure 1 : Percentages of charities reporting hiring activity, by position type



Hiring and organization size. As one would expect, larger organizations are generally more likely to have hired for all position types over the previous year (see Table 1). Recruiting for most position types increases fairly consistently with increases in the number of paid staff, although close examination reveals a number of departures from this pattern. For example, organizations with at least 100 paid staff are substantially more likely to have hired executive managers – suggesting that larger organizations are more likely to have this type of position.

Other position types showing similar “threshold effects” include frontline providers of physical and mental health services and information technology and system support personnel, both having higher levels of hiring among larger organizations. Conversely, hiring for a few types of positions varies very little with organization size. This is perhaps unsurprising for CEOs / Directors General since organizations typically have only one position of this type, regardless of their size. It is a good deal more puzzling, however, to see consistency in hiring for communications positions across organizations of different sizes.

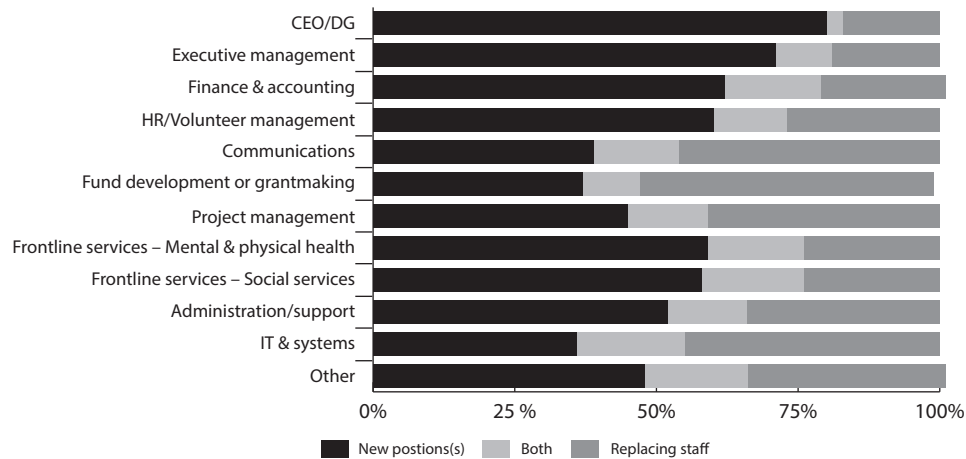
Table 1: Hiring activity by position type and number of paid staff.

Position type	Number of paid staff				
	1 to 4	5 to 9	10 to 24	25 to 99	100+
CEO / DG	6%	6%	8%	4%	8%
Executive management	4%	4%	7%	9%	17%
Finance & accounting	5%	8%	15%	18%	23%
HR / Volunteer management	3%	6%	8%	10%	21%
Communications	6%	12%	20%	15%	23%
Fund development or grantmaking	7%	12%	18%	25%	34%
Program management	10%	17%	22%	29%	32%
Frontline services – Mental & physical health	1%	5%	5%	20%	44%
Frontline services – Social services	6%	16%	33%	46%	40%
Administration / support	16%	26%	29%	40%	55%
IT & systems	2%	3%	4%	8%	22%
Other	2%	4%	4%	3%	3%

Hiring is mostly because of turnover

For most position types, hiring is mostly to replace staff who have left the organization. There are some exceptions, however. A majority of organizations that had hired for information technology and systems, fund development and grantmaking, communications, and program management positions reported that they were filling new positions or a mix of new and old positions (see Figure 2). Conversely, organizations were most likely to be hiring replacement staff for CEO / Director General, executive management, and finance and accounting positions.

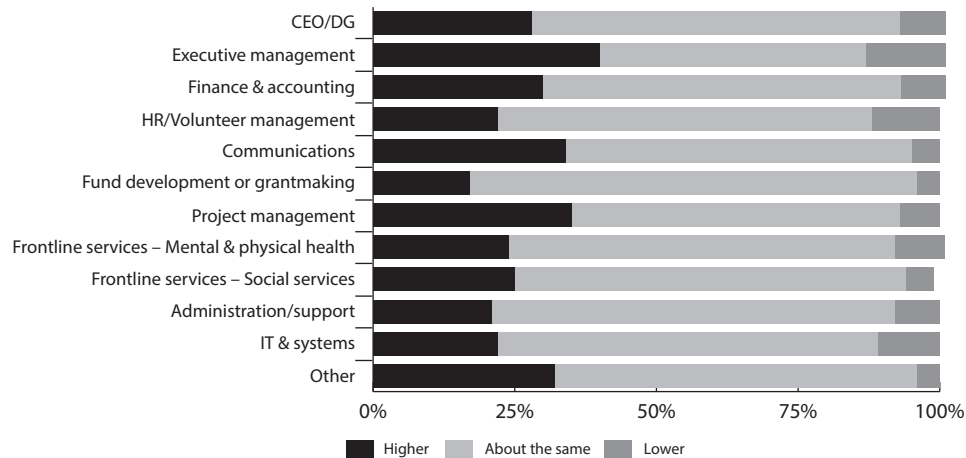
Figure 2: Reason for hiring, by position type.²



² For exact numerical values corresponding to this figure, please see Table C-1 in Appendix C.

Generally speaking, the current level of turnover is consistent with past experience. For most positions, around two thirds of organizations that had hired to replace staff reported that turnover was about the same as normal (see Figure 3). A few position types do stand out, however. Turnover was particularly high with executive management, program management and communications positions. Very few organizations reported lower than normal turnover for any position type.

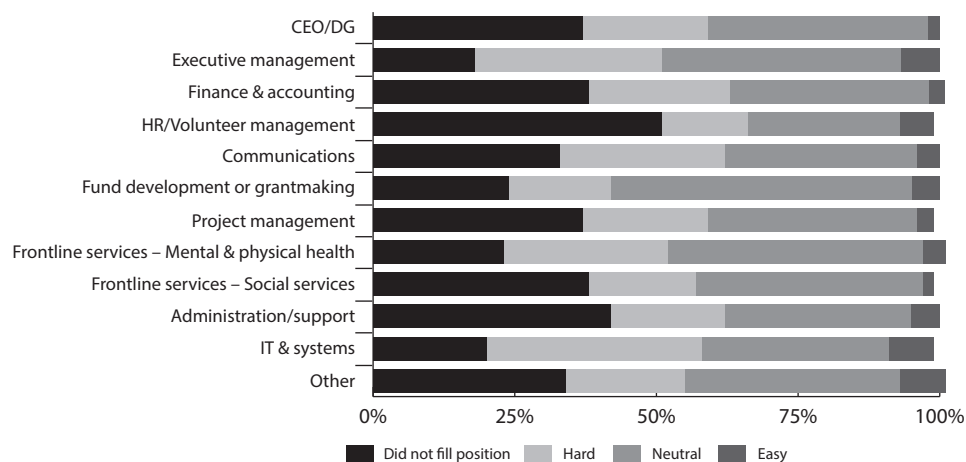
Figure 3: Level of turnover, by position type.³



Difficult-to-fill positions

The most difficult to fill positions appear to be fund development and grantmaking, executive management, and frontline services providing physical and mental healthcare. Half or slightly more than half of respondents hiring for these positions said either that the positions were hard to fill or they had been unable to fill the position (see Error! Reference source not found.). Position types that stand out as being comparatively easy to fill include human resources / volunteer management and administration / support.

Figure 4: Difficulty filling positions, by position type.⁴



³ For exact numerical values corresponding to this figure, please see Table C-2 in Appendix C.

⁴ For exact numerical values corresponding to this figure, please see Table C-3 in Appendix C.

Challenging positions

The pattern of responses indicates that a few key position types may represent particular challenges for organizations, and for the sector more generally:

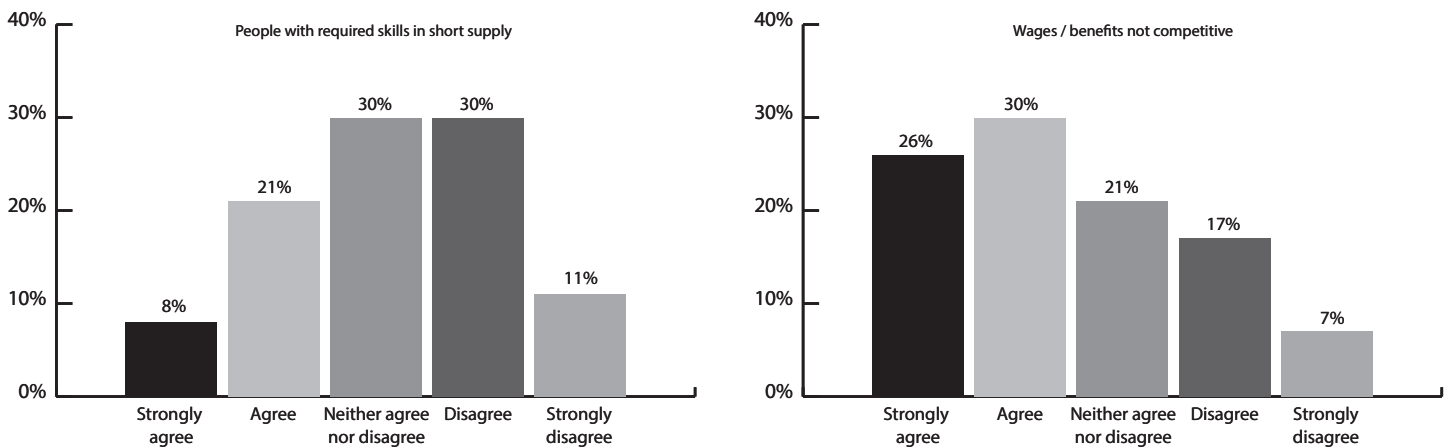
- **Executive management.** Churn appears to be quite high for this position type, according to three findings – the high level of hiring to replace staff, the difficulty filling these positions and the higher than normal level of turnover.
- **Fund development or grantmaking.** This appears to be an area of particular employment growth, as indicated by the high level of new hiring, and the difficulty filling these positions. However, this position does not appear to suffer from higher than normal turnover, suggesting that organizations are able to retain the staff that they already have in spite of demand pressure.
- **Program management and Communications.** Both of these position types also appear to be growing, as indicated by the comparatively high level of hiring to fill new positions. They are also somewhat more likely to be associated with higher than normal levels of turnover. This may indicate increased competition between employers, although these positions do not seem to be more difficult to fill.
- **Frontline mental and physical health service provision.** This position type stands out as being a systemic challenge. Quite high percentages of organizations identify this position as difficult to fill, but it does not appear to be an area of particular growth (as indicated by the comparatively high level of hiring for replacement) and the current level of turnover appears to be broadly consistent with past experience.

Recruitment and retention challenges

The greater the degree of agreement, the more potent the barrier.

Charities face a number of specific challenges in attracting and retaining paid staff. Although the range of potential challenges is very broad, we focus on three specific issues that have been identified as being particularly significant for nonprofit organizations (HR Council for the Voluntary and Non-profit Sector, 2008). These challenges are: finding staff with the skills organizations require, offering wages and benefits that are competitive with other potential employers, and offering sufficient opportunities for advancement. To measure these barriers, we asked respondents about the extent to which they agreed or disagreed with four statements describing potential challenges they faced in recruiting and retaining paid staff.⁵ The greater the degree of agreement, the more potent the barrier.

Figure 5: Agreement / disagreement with potential barriers to recruitment



Recruitment challenges

Providing competitive benefits and wages appears to be a much more significant barrier to recruitment than finding people with the skills organizations require. Less than a third of charity leaders agreed or strongly agreed that their organization had difficulty recruiting paid staff because people with the required skills were in short supply (see Figure 5). In comparison, over half stated that they had difficulty recruiting paid staff because the benefits and wages they were able to offer were not competitive.

⁵ For the specific wording of these questions, see Appendix B.

Organization size. Organizations of almost all size classes were more likely to identify offering competitive wages as a problem than finding people with the right skills. Only among organizations with 100 or more paid staff was this not true. As organization size increases, so does difficulty finding people with the required skills. Just over half of organizations with 100 or more paid staff agreed or strongly agreed that this barrier was a problem, compared to just 20% of organizations with fewer than five paid staff (see Table 2). Being able to offer competitive wages and benefits, on the other hand, appears to be a much more prevalent problem for small- and medium-sized organizations. The percentages of organizations reporting this barrier were quite high across the board, but they were highest among charities with five to nine and 10 to 24 paid staff (see Table 3).

Table 2: Shortage of people with required skill as barrier to recruitment, by number of paid staff and region.

	Agree	Neither agree nor disagree	Disagree
All charities	30%	30%	41%
Number of paid staff			
1 to 4	20%	38%	42%
5 to 9	31%	24%	45%
10 to 24	34%	27%	40%
25 to 99	43%	18%	39%
100 or more	52%	23%	25%
Region			
BC	22%	33%	45%
AB	24%	34%	42%
PR	46%	22%	32%
ON	27%	33%	40%
QC	32%	27%	41%
AT	40%	20%	40%

Region. Organizations located in the Prairies, Quebec and Atlantic Canada are experiencing greater difficulty with recruitment than organizations located elsewhere. About two in three organizations from these regions agreed they were having difficulty offering competitive wages and benefits, compared to about half of organizations in other regions (see Table 3). The impact of a tight labour market is brought to mind by the large percentage of organizations in the Prairies reporting difficulty finding paid staff with the proper skills (see Table 2). While this appears to be somewhat less of a problem in Atlantic Canada and Quebec, respondents in these regions are also more likely than average to report challenges. The pattern of responses seems to indicate that the pressures in the Prairies are affecting charities generally, with low percentages of respondents who disagreed they were experiencing these barriers. Conversely, the pressures in Quebec and Atlantic Canada may affect only some charities, as indicated by the fact that the percentages of organizations that disagreed they had difficulty finding paid staff with the right skills are very similar to other regions.

Table 3: Difficulty offering competitive wages and benefits as barrier to recruitment, by number of paid staff, region, and level of stress.

	Agree	Neither agree nor disagree	Disagree
All charities	56%	21%	24%
Number of paid staff			
1 to 4	51%	27%	22%
5 to 9	67%	13%	19%
10 to 24	60%	15%	25%
25 to 99	53%	17%	30%
100 or more	47%	20%	33%
Region			
BC	49%	24%	27%
AB	48%	19%	32%
PR	63%	21%	16%
ON	48%	27%	25%
QC	71%	10%	19%
AT	64%	17%	20%
Stress level			
No stress	41%	24%	35%
Some stress	66%	18%	17%
High stress	76%	17%	7%

Organizational stress. As the level of stress in organizations increases, so too does their difficulty offering competitive wages and benefits (see Table 3). Three quarters of organizations under high stress identified this as a challenge, as did two thirds of organizations under some stress. This is consistent with the key components of the measure of organizational stress, which include the organization’s forecast ability to cover its expenses, given that wages and benefits generally represent quite large proportions of total expenditures for charities. Organizational stress does not appear to significantly affect the ability of organizations to find paid staff with the right skills.

Retention challenges

Although difficulty providing competitive wages and benefits appears to be slightly less of a barrier to retention than to recruitment, it remains potent. Almost half of respondents agreed or strongly agreed that their ability to provide competitive wages and benefits was a barrier to employee retention (see Figure 6). Slightly fewer identified inability to provide staff with sufficient opportunity for promotion and advancement as a barrier.

Region. Paralleling the patterns regarding recruitment, organizations from Quebec, Atlantic Canada and the Prairies are more likely to have difficulty with staff retention. More organizations from these regions said they were unable to offer competitive wages and benefits or to offer sufficient opportunity for promotion and professional advancement. Almost six in ten Quebec organizations and one of every two organizations from the Prairies or Atlantic Canada reported being unable to provide competitive wages and benefits (see Table 4) and about half of organizations from each of these regions said they were unable to provide sufficient opportunities for advancement (see Table 5).

Figure 6: Agreement / disagreement with potential barriers to retention

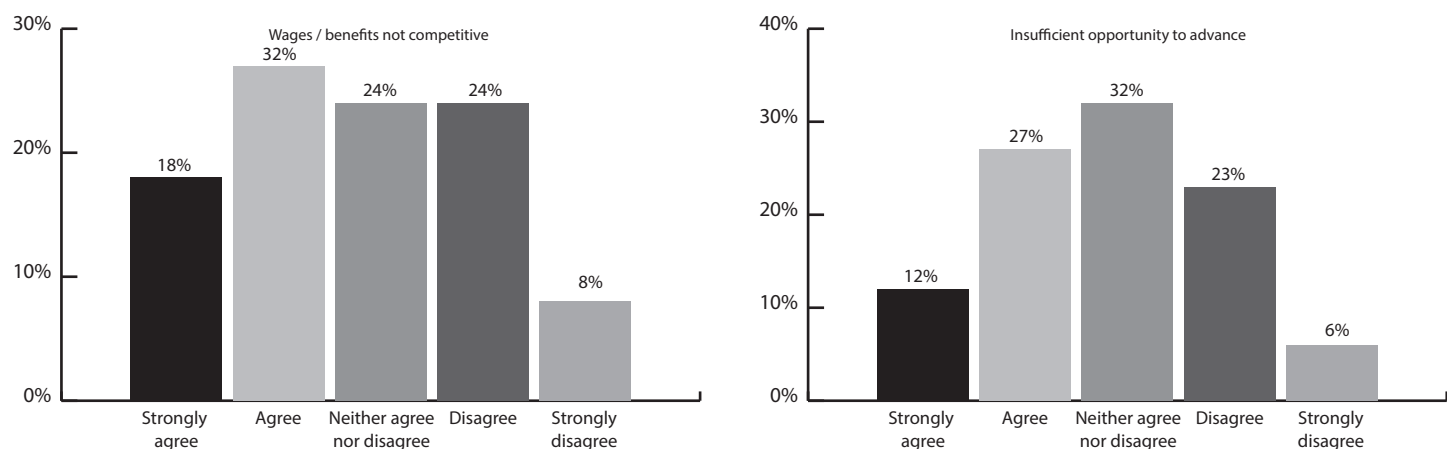


Table 4: Difficulty offering competitive wages and benefits as a barrier to retention, by annual revenue, region, organizational stress, and primary revenue source.

	Agree	Neither agree nor disagree	Disagree
All charities	44%	24%	32%
Annual revenues			
\$30,000 to \$149,999	46%	26%	28%
\$150,000 to \$499,999	52%	23%	25%
\$500,000 to \$1,499,999	39%	23%	38%
\$1,500,000 to \$4,999,999	41%	20%	39%
\$5,000,000 or more	22%	21%	57%
Region			
BC	43%	23%	34%
AB	38%	25%	36%
PR	50%	26%	24%
ON	36%	27%	38%
QC	58%	18%	24%
AT	49%	26%	24%
Stress level			
No stress	30%	26%	44%
Some stress	53%	24%	23%
High stress	65%	20%	15%
Primary revenue source			
Government	55%	17%	28%
Gifts & donations	38%	26%	35%
Earned income	42%	23%	35%
Other	27%	34%	39%
Mixed	42%	33%	25%

Organizational stress. Organizations that are under stress, particularly high levels of stress, seem to have greater difficulty retaining paid staff. Two thirds of organizations under high stress report challenges offering competitive wages and benefits (see Table 4) and just fewer than six in ten report difficulties offering sufficient opportunities for promotion and professional advancement (see Table 5). By way of comparison, less than one in three organizations not under particular stress report each of these difficulties.

Table 5: Insufficient opportunity for promotion and professional advancement as a barrier to retention, by region, organizational stress and primary revenue source.

	Agree	Neither agree nor disagree	Disagree
All charities	40%	32%	29%
Region			
BC	32%	38%	30%
AB	34%	27%	39%
PR	45%	32%	23%
ON	33%	33%	33%
QC	52%	26%	21%
AT	47%	33%	21%
Stress level			
No stress	28%	33%	39%
Some stress	46%	33%	21%
High stress	59%	24%	17%
Primary revenue source			
Government	51%	29%	20%
Gifts & donations	30%	34%	36%
Earned income	36%	27%	37%
Other	31%	38%	32%
Mixed	43%	37%	21%

Primary revenue source. Organizations receiving more than half of their revenue from government are more likely than organizations receiving most of their funding from other sources to report challenges retaining staff. About half of organizations with most of their revenues coming from government agreed that inability to offer competitive salaries and benefits or sufficient opportunities for promotion and professional advancement within the organization caused difficulties in retaining paid staff (see Table 4 and Table 5).

Annual revenue. Unsurprisingly, higher revenue is associated with less difficulty retaining paid staff due to inability to offer competitive wages and benefits. Nearly half of charities with annual revenues less than \$150,000 reported this, as compared to just a fifth of organizations with annual revenues of \$10 million or more. It is worth noting that unlike the findings about recruitment, there is no significant pattern in comparisons of organizations by the number of paid staff. Regarding retention, revenues appear to be the more important measure.

Human resources infrastructure and management capacities

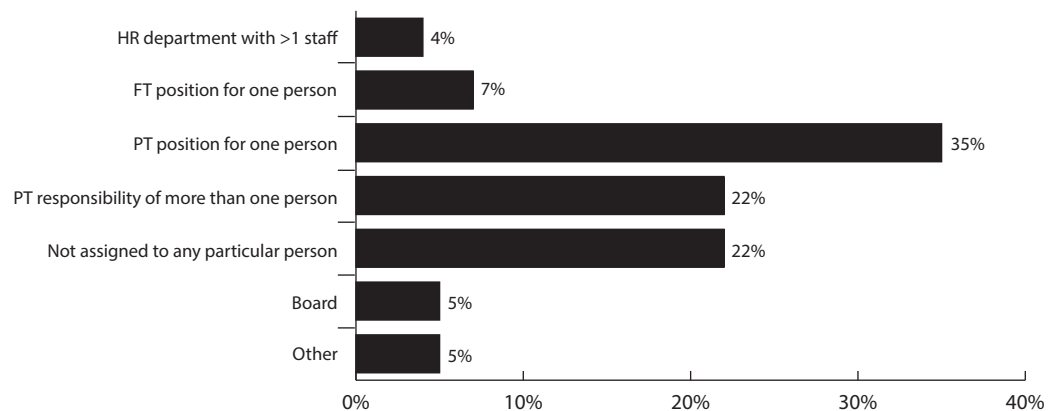
Most frequently, HR management is a part-time responsibility.

In order to get a general sense of organizational capacities with regard to human resources infrastructure and HR management, respondents were asked three questions dealing with who is responsible for human resources in their organization, how many paid staff receive performance reviews and how many receive reviews of their training and development needs. Charities with designated responsibilities and staff in HR management are assumed to have greater HR infrastructure capacity (HR Council for the Voluntary and Non-profit Sector, 2008). Similarly, organizations that provide large percentages of their staff with formal reviews are assumed to have greater HR management capacity.⁶

Human resources infrastructure capacity

Most frequently, HR management is the part-time responsibility of one person. Just over a third of respondents said this is how responsibility for human resources works in their organization (see Figure 7). It is fairly common for charities to distribute HR responsibilities among multiple individuals. Only about one organization in ten has an HR department or assigns responsibility to one person on a full-time basis. Not all organizations assign HR management responsibilities to their paid staff – five percent say that HR is a board responsibility and another five percent say their organization uses some other arrangement, mainly external contractors or volunteers who are not board members. About one in four charities has no one with designated responsibility for HR management.

Figure 7: Organizational responsibility for human resources



⁶ These few questions are used as general indicators. They do not constitute comprehensive measures of either HR infrastructure capacity or HR management capacity.

Annual revenue and number of paid staff. HR management infrastructure capacity generally increases with organization size. Among the smallest organizations, it is most common for HR management to be either no one's specific responsibility or the part-time responsibility of a single person (see Table 6). Among medium-sized organizations, responsibility is most likely to be assigned to multiple individuals on a part-time basis. Only among the largest organizations is HR management most likely to be the full-time responsibility of an individual or an HR department. As size increases, it is less likely that no one is particularly responsible for HR management, and less likely that the responsibility lies with someone not on the paid staff.

Primary revenue source. Even accounting for the effects of size, organizations primarily dependent on government revenue are more likely to have greater HR management infrastructure capacity. Organizations with revenues mostly from government are most likely to report that HR management is the responsibility of one or more people on a full-time basis and they are least likely to have no one in particular responsible for this function. Organizations that are primarily dependent on gifts and donations stand out as having somewhat lower than average infrastructure capacity. These organizations are most likely to have no one in particular holding responsibility for HR management and least likely to report that it is the part-time responsibility of more than one person.

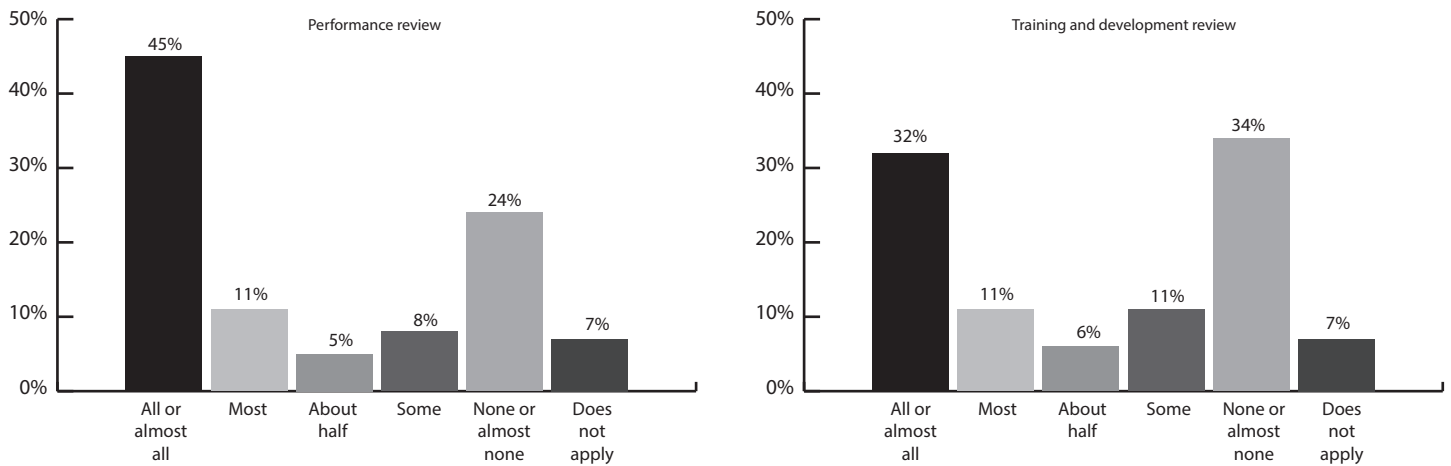
Table 6: Organizational responsibility for human resources, by annual revenue, number of paid staff and primary revenue source.

	FT for 1 or more	PT for 1 person	PT > 1 person	No one in particular	Other
All charities	12%	35%	22%	22%	10%
Annual revenues					
\$30,000 to \$149,999	8%	31%	17%	32%	12%
\$150,000 to \$499,999	8%	42%	19%	20%	11%
\$500,000 to \$1,499,999	10%	38%	30%	14%	8%
\$1,500,000 to \$4,999,999	9%	35%	37%	14%	5%
\$5,000,000 or more	53%	18%	17%	8%	5%
Number of paid staff					
1 to 4	4%	31%	14%	33%	17%
5 to 9	10%	45%	25%	15%	6%
10 to 24	8%	44%	33%	12%	4%
25 to 99	15%	28%	42%	12%	3%
100 or more	65%	12%	10%	10%	2%
Primary revenue source					
Government	17%	33%	26%	14%	11%
Gifts & donations	11%	35%	18%	28%	9%
Earned income	11%	35%	24%	23%	6%
Other	6%	29%	24%	22%	19%
Mixed	6%	36%	21%	25%	12%

HR management capacity

Organizations tend to have quite significant levels of formal HR management capacity or quite low levels, with comparatively few organizations between these extremes. Performance reviews are somewhat more common than are reviews of training and development needs. Nearly half of organizations said that all or almost all of their paid staff had received performance reviews within the last year (see Figure 8). About a third said that all or almost all of paid staff had received formal reviews of their training and development needs. The small numbers of organizations saying that these measures did not apply to their particular circumstances were asked to explain why this was the case. Almost all of their responses pointed to their small size and can safely be interpreted as indicating that no paid staff are involved in these formal HR management practices.

Figure 8: Number of staff receiving formal performance and training and development needs reviews



Number of paid staff. Formal employee reviews are more prevalent in larger organizations. About a third of charities with fewer than five paid staff said that all or almost all paid staff received a formal performance review, compared to half or more larger organizations (see Table 7). Similarly, about a quarter of charities with fewer than five paid staff reported that all or almost all of their paid staff had received a formal review of their training and development needs within the past 12 months, compared to a third or more larger organizations. Consistently, the percentage of organizations reporting that no or almost no paid staff received these reviews decreased as the number of paid staff increased.⁷

⁷ In interpreting these numbers it is important to understand that the apparent decreases in the percentages of organizations saying that all or almost all paid staff were subject to these forms of oversight among organizations with 25 or more paid staff correlate with increases in the number of organizations reporting that most paid staff participated. (In Tables 7 and 8 “Moderate number” includes the categories of “most”, “about half”, and “some” paid staff.) In all likelihood, this is being driven by staff turnover and the higher likelihood that the largest organizations have paid staff who have not been with the organization for at least 12 months.

Table 7: Number of staff receiving formal performance reviews within past 12 months, by activity area and number of paid staff.

	All or almost all	Moderate number	None or almost none	Does not apply
All charities	45%	24%	24%	7%
Activity area				
Arts, culture, sports & recreation	33%	22%	35%	11%
Education & research	36%	34%	25%	5%
Health	49%	22%	22%	7%
Social services	51%	29%	16%	4%
Philanthropic intermediaries & voluntarism	53%	11%	26%	10%
Other	38%	23%	30%	9%
Unknown	45%	27%	23%	4%
Number of paid staff				
1 to 4	37%	14%	35%	14%
5 to 9	48%	27%	22%	4%
10 to 24	55%	28%	16%	0%
25 to 99	49%	38%	11%	2%
100 or more	50%	44%	5%	1%

Activity area. As measured by the likelihood of receiving regular formal performance reviews, organizations working in the areas of fundraising, grantmaking and voluntarism promotion, social services and health appear to have better than average formal human resources management capacity. These organizations were most likely to report that all or almost all of their paid staff had received formal performance reviews within the past 12 months (see Table 7). Conversely, organizations working in the area of arts, culture, sports, and recreation stand out as having slightly less than average formal human resources management capacity. These organizations were most likely to report that none or almost none of their staff had received formal performance reviews and to report that such measures did not apply to their particular circumstances.

Table 8: Number of paid staff receiving formal review of training and development needs within last 12 months, by annual revenue, number of paid staff, and revenue dependence.

	All or almost all	Moderate number	None or almost none	Does not apply
All charities	32%	28%	34%	7%
Annual revenues				
\$30,000 to \$149,999	28%	17%	45%	11%
\$150,000 to \$499,999	31%	24%	40%	5%
\$500,000 to \$1,499,999	40%	36%	21%	3%
\$1,500,000 to \$4,999,999	37%	44%	18%	2%
\$5,000,000 or more	33%	57%	8%	2%
Number of paid staff				
1 to 4	25%	14%	49%	12%
5 to 9	36%	31%	30%	3%
10 to 24	44%	34%	21%	1%
25 to 99	35%	49%	13%	3%
100 or more	34%	53%	12%	1%

Annual revenue. As with number of paid staff, the incidence of formal HR management measures increases with the annual revenue of the organization – another measure of organization size. Larger organizations are much less likely to report that no paid staff received formal reviews of their training and development needs over the previous year and much more likely to report that some or all of their staff had received reviews (see Table 8). The percentage of organizations reporting that all paid staff received reviews, departs from the pattern of higher incidence for each successive size group – likely a reflection of the higher level of hiring activity in these organizations and the resulting increase in the number of staff whose tenure with the organization is less than 12 months.

Changes in staff level over time

Top-level responses to these questions show very little change over the three years covered by the *Sector Monitor*.

To track conditions within the charitable sector, the *Sector Monitor* regularly asks respondents whether the number of paid staff their organization employs has changed over the previous year and whether they predict any changes in the number of paid staff in the three to four months following each survey. Top-level responses to these questions show very little change over the three years covered by the *Sector Monitor*. Consistently, from the beginning of the survey program in late 2009, about a fifth of organizations have reported that their paid staff numbers had increased and around 15% have reported decreases in paid staff numbers (see Table 9). Predicted changes in paid staff numbers have varied slightly more, with the percentages of leaders predicting increases dropping from about 15% to about 10% between the late 2011 and mid-2012 editions of the survey. These findings stand out as noteworthy for their stability, given the significant economic upheaval during the past three years.

Table 9: Experienced and predicted changes in paid staff levels, by period.

	late 2009	mid- 2010	late 2010	mid- 2011	late 2011	mid- 2012	late 2012
Experienced changes in paid staff							
Increased	22%	21%	21%	21%	21%	22%	22%
Remained about the same	58%	59%	60%	66%	65%	64%	62%
Decreased	19%	20%	19%	13%	14%	14%	16%
Predicted changes in paid staff							
Increase	-	14%	15%	15%	14%	9%	11%
Remain about the same	-	73%	78%	78%	79%	80%	82%
Decrease	-	13%	7%	7%	7%	11%	6%

Although there appears to be little significant change over time, some systemic factors seem to be at work. First, the size of the organization, as measured by number of paid staff, matters. Organizations with more paid staff are more likely than smaller organizations to report increases in the number of paid staff they employ. The specifics of this pattern are particularly interesting in that the largest part of the difference by size is between organizations with less than five paid staff and larger organizations. Organizations with less than five paid staff are about half as likely as larger organizations to report increases in paid staff numbers (see Table 10). Size also matters with regard to predictions for the future. Larger organizations are more likely to predict decreases in paid staff numbers over the next three to four months (see Table 11). This is likely due to the fact that one measure that larger organizations tend to use when facing adversity is to control expenditures by reducing the number of paid staff. The effects of adversity can also be clearly seen in the effects of organizational stress. Organizations under high levels of stress are noticeably less likely to report staff increases (see Table 10) and more likely to predict staff decreases (see Table 11).

Table 10: Experienced paid staff increases, by number of paid staff and stress level.

	late 2009	mid-2010	late 2010	mid-2011	late 2011	mid-2012	late 2012
Number of paid staff							
1 to 4	15%	15%	17%	14%	10%	14%	16%
5 to 9	30%	21%	26%	23%	27%	28%	27%
10 to 24	26%	31%	25%	27%	28%	30%	27%
25 to 99	33%	27%	25%	32%	34%	29%	28%
100 or more	27%	35%	22%	23%	38%	33%	25%
Stress level							
No stress	25%	26%	23%	23%	27%	25%	23%
Some stress	24%	18%	24%	20%	18%	23%	24%
High stress	12%	18%	7%	14%	11%	14%	14%

Table 11: Predicted paid staff decreases, by number of paid staff and stress level.

	late 2009	mid-2010	late 2010	mid-2011	late 2011	mid-2012	late 2012
Number of paid staff							
1 to 4	-	15%	5%	6%	6%	10%	5%
5 to 9	-	16%	8%	8%	8%	10%	9%
10 to 24	-	7%	6%	10%	9%	15%	7%
25 to 99	-	10%	11%	8%	7%	15%	13%
100 or more	-	28%	11%	11%	11%	13%	11%
Stress level							
No stress	-	9%	3%	3%	3%	4%	2%
Some stress	-	13%	7%	7%	9%	14%	7%
High stress	-	27%	20%	19%	15%	28%	19%

Summary and conclusions

Paid employment in Canadian charities is currently being affected by a number of important factors.

It is clear that paid employment in Canadian charities is currently being affected by a number of important factors. Many of these appear to be systemic – for example size of organization (as measured by both number of paid staff and annual revenues), primary revenue source, and level of organizational stress. Some other factors appear to be linked to current circumstances – the clearest example of this being the differences observed among organizations from the Prairies and pressures on hiring for certain types of positions.

Other things being equal, smaller organizations tend to have lower levels of HR infrastructure capacity and they tend to report more difficulty offering competitive wages, but much more work will need to be done to understand what level of infrastructure capacity is optimal for smaller organizations and to clarify the specific implications of their recruitment challenges.

This work is valuable in helping to structure thinking about the sector and in helping charity leaders benchmark their organization against peers. In addition, tracking fluctuations over time provides important insights into changing circumstances.

Appendix A – List of Sector Monitor Partners

The following charities are partners with Imagine Canada on the *Sector Monitor* program:

- Big Brothers Big Sisters of Canada
- Boys and Girls Clubs of Canada
- CanadaHelps
- Canadian Conference of the Arts
- Community Foundations of Canada
- Community Foundation of Ottawa
- Food Banks Canada
- Foundation of Greater Montreal
- Habitat for Humanity Canada
- Health Charities Coalition of Canada
- HR Council for the Nonprofit Sector
- National Alliance for Children and Youth
- Philanthropic Foundations Canada
- Pillar Nonprofit Network
- The Salvation Army Canada
- TechSoup Canada
- United Way of Canada
- United Way of Winnipeg
- Vancouver Foundation
- Volunteer Canada
- West Island Community Shares
- YMCA Canada
- YWCA Canada

Appendix B – HR-related Sector Monitor Survey Questions

Q3.1 Next, we would like to ask you some questions about your organization’s human resources.

Please indicate approximately how many full-time and part-time paid staff your organization currently employs.

(Note: If your organization employs no paid staff, please enter 0 in both boxes)

Number of full-time paid staff:

Number of part-time paid staff:

Answered Q3.2 if: Number of full-time or part-time paid staff is greater than 0

Q3.2 Has the total number of paid staff your organization employs increased, decreased or remained about the same, compared to this time last year?

Increased

Decreased

Remained about the same

Don’t know

Answered Q3.3 if: “Increased” is selected

Q3.3 By approximately how many people has the number of paid staff your organization employs increased?

Number of total paid staff increase:

Answered Q3.4 if: “Decreased” is selected

Q3.4 By approximately how many people has the number of paid staff your organization employs decreased?

Number of total paid staff decrease:

Answered Q3.5 if: Number of full-time or part-time paid staff is greater than 0

Q3.5 Over the past year, has your organization hired or attempted to hire paid staff for any of the following types of positions? (please choose all that apply)

Chief Executive Officer / Director General

Executive management

Finance and accounting

Human / volunteer resources management

Communications

Fund development or grantmaking

Program management

Frontline service delivery – Mental and physical health

Frontline service delivery – Social services

Administration / support

Information technology and systems

Other (please specify) _____

Answered Q3.6 if: Organization hired or attempted to hire for any type of position. Show only types of positions hired for.

Q3.6 Was this to replace staff who had left, to fill new positions, or both?

	Replacing staff (1)	New positions (2)	Both (3)	Don't know (7)
Executive Officer / Director General				
Executive management				
Finance and accounting				
Human / volunteer resources management				
Communications				
Fund development or grantmaking				
Program management				
Frontline service delivery – Mental and physical health				
Frontline service delivery – Social services				
Administration / support				
Information technology and systems				
\$(Specified text entered)				

Answered Q3.7 if: Organization hired or attempted to hire for any type of position. Show only types of positions hired for.

Q3.7 To the best of your knowledge, how difficult was it to fill those positions?

	Very Easy (1)	Easy (2)	Neutral (3)	Difficult (4)	Very Difficult (5)	Did not fill position (6)	Don't know (97)
Chief Executive Officer / Director General							
Executive management							
Finance and accounting							
Human / volunteer resources management							
Communications							
Fund development or grantmaking							
Program management							
Frontline service delivery – Mental and physical health							
Frontline service delivery – Social services							
Administration / support							
Information technology and systems							
\$(Specified text)							

Answered Q3.8 if: Organization hired or attempted to hire for any type of position. Show only types of positions hired for.

Q3.8 Thinking about positions where you were replacing staff who had left, was turnover over the past year higher than normal, lower than normal or about the same as normal?

	Higher (1)	About the same (2)	Lower (3)	Don't know (7)
Chief Executive Officer / Director General				
Executive management				
Finance and accounting				
Human / volunteer resources management				
Communications				
Fund development or grantmaking				
Program management				
Frontline service delivery – Mental and physical health				
Frontline service delivery – Social services				
Administration / support				
Information technology and systems				
\$(Specified text)				

Answered Q3.9 if: Number of full-time or part-time paid staff is greater than 0.

Q3.9 Next, we would like to ask you about the impact recruitment and retention challenges may be having on your organization. First, on the topic of recruitment, please indicate the extent to which you agree with the following statement:

Our organization has difficulty recruiting paid staff because people with the required skills are in short supply.

- Strongly Agree
- Agree
- Neither Agree nor Disagree
- Disagree
- Strongly Disagree
- Don't know

Answered 3.10 if: Number of full-time or part-time paid staff is greater than 0.

Q3.10 Please indicate the extent to which you agree with the following statement:

Our organization has difficulty recruiting new paid staff because the benefits and wages we can offer are not competitive with other employers.

- Strongly Agree
- Agree
- Neither Agree nor Disagree
- Disagree
- Strongly Disagree
- Don't know

Answered 3.11 if: Number of full-time or part-time paid staff is greater than 0.

Q3.11 Switching to the topic of retention, please indicate the extent to which you agree with the following statement:

Our organization has difficulty retaining the paid staff we have because the benefits and wages we can offer are not competitive with other employers.

- Strongly Agree
- Agree
- Neither Agree nor Disagree
- Disagree
- Strongly Disagree
- Don't know

Answered Q3.12 if: Number of full-time or part-time paid staff is greater than 0.

Q3.12 Please indicate the extent to which you agree with the following statement:

Our organization has difficulty retaining paid staff because we cannot offer sufficient opportunities for promotion and professional advancement within the organization.

- Strongly Agree
- Agree

Neither Agree nor Disagree

Disagree

Strongly Disagree

Don't know

Answered Q3.13 if: Number of full-time or part-time paid staff is greater than 0.

Q3.13 Which of the following statements best describes the responsibility for human resources management in your organization?

There is a human resources department staffed by more than one person

Human resources is a full-time responsibility for one person

Human resources is a part-time responsibility for one person

Human resources is a part-time responsibility involving more than one person

Responsibility for human resources is not assigned to any particular person

Other situation (please describe) _____

Don't know

Answered Q3.14 if: Number of full-time or part-time paid staff is greater than 0.

Q3.14 Please tell us how many paid staff received a formal performance review within the last 12 months.

All or almost all

Most

About half

Some

None or almost none

Don't know

Does not apply (please explain) _____

Answered Q3.15 if: Number of full-time or part-time paid staff is greater than 0.

Q3.15 Please tell us how many paid staff had a formal review of their training and development needs within the last 12 months.

All or almost all

Most

About half

Some

None or almost none

Don't know

Does not apply (please explain) _____

Appendix C – Data Tables

Table C – 1: Reason for hiring, by position type.

Position	New position(s)	Both	Replacing staff
CEO / DG	17%	3%	80%
Executive management	19%	10%	71%
Finance & accounting	22%	17%	62%
HR / Volunteer management	27%	13%	60%
Communications	46%	15%	39%
Fund development or grantmaking	52%	10%	37%
Program management	41%	14%	45%
Frontline services – Mental & physical health	24%	17%	59%
Frontline services – Social services	24%	18%	58%
Administration / support	34%	14%	52%
IT & systems	45%	19%	36%
Other	35%	18%	48%

Table C – 2: Level of turnover, by position type.

Position type	Higher	About the same	Lower
CEO / DG	28%	65%	8%
Executive management	40%	47%	14%
Finance & accounting	30%	63%	8%
HR / Volunteer management	22%	66%	12%
Communications	34%	61%	5%
Fund development or grantmaking	17%	79%	4%
Program management	35%	58%	7%
Frontline services – Mental & physical health	24%	68%	9%
Frontline services – Social services	25%	69%	5%
Administration / support	21%	71%	8%
IT & systems	22%	67%	11%
Other	32%	64%	4%

Table C – 3: Difficulty filling positions, by position type.

Position	Did not fill position	Hard	Neutral	Easy
CEO / DG	2%	39%	22%	37%
Executive management	7%	42%	33%	18%
Finance & accounting	3%	35%	25%	38%
HR / Volunteer management	6%	27%	15%	51%
Communications	4%	34%	29%	33%
Fund development or grantmaking	5%	53%	18%	24%
Program management	3%	37%	22%	37%
Frontline services – Mental & physical health	4%	45%	29%	23%
Frontline services – Social services	2%	40%	19%	38%
Administration / support	5%	33%	20%	42%
IT & systems	8%	33%	38%	20%
Other	8%	38%	21%	34%

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