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Passion and Commitment Under Stress: Canada's Non-profit Sector

Ottawa – The passion and commitment of its employees are a non-profit organization's most valuable assets. But today's unstable funding environment, low salaries, high workloads, and lack of opportunity for advancement, among other things, are making it difficult to sustain that passion.

The final report in a path-breaking CPRN series on Canada's non-profit sector, finds this key contributor to the country's economy and society seriously challenged. In *Passion and Commitment Under Stress: Human Resource Issues in Canada's Non-profit Sector*, Ron Saunders, Director of CPRN's Work Network, examines the forces that threaten the sustainability of non-profit enterprise and suggests measures to relieve some of the pressure.

Why does it matter if non-profit organizations can't hold onto their workers? The answer is that Canadians rely on non-profits to deliver a wide array of essential goods and services – everything from child care, home care and a variety of other health and social services, to recreation and culture. The sector employs almost a million workers (about 8% of all paid employees) with take home pay of more than \$22 billion a year. Apart from its economic role, the sector is a vital space for civic enterprise, a builder of social capital. Despite this, its dimensions and workplace realities have been largely undocumented, until recently.

“Governments across the country, both intentionally and by default, shifted responsibilities to the non-profit sector over the past decade,” says Saunders. “But that shift took place without an adequate research base, and often without a long-term commitment of requisite resources.”

CPRN's research, like recent contributions by others, is intended to help bring the capacity of the sector into line with its responsibilities and to improve conditions for its workers.

Saunders' report builds on the findings of four previous CPRN reports: on the size and characteristics of the sector and its workforce; on the quality of jobs in the sector; on skill requirements and training in the sector, and; on the sector's organizational and human resource strategies.

“The picture we have developed is of a predominantly female paid workforce, older and better educated than the for-profit workforce, with relatively good working conditions,” says Saunders, “and, while there is always room for improvement in the workplace, key problems stem from the external environment. Short-term targeted funding means much lower pay, less job security and fewer chances for promotion than in the for-profit sector, or quasi-governmental sector.”

The research finds non-profit employees are still committed to their work, but unhappy about pay, benefits, lack of opportunity for advancement and workload. These concerns are particularly strong in the smaller organizations that make up the majority of non-profits.

“It’s clear that the intrinsic rewards for working in the sector are being undermined by these extrinsic factors,” says Saunders. “This could hurt the sector’s ability to attract and keep the skilled workers it needs in a more competitive environment as baby boomers retire.”

Among the measures Saunders suggests to address the problem:

- The public, private and charitable funders of the sector should provide more long-term funding and support for capacity building.
- A “human resource sector council” to tackle common concerns, from recruitment, training, and HR policies, to developing multi-employer benefit plans.
- Non-profit employers, and their boards, need to keep salaries and benefits competitive.
- Non-profit employers, and their boards, should strive for high quality workplaces, fostering job satisfaction and responding to the expectations of their employees.
- Non-profit employers should stress the special advantages of work in the sector when recruiting.

The paper identifies research gaps that need attention, like research on the factors that determine the level of job satisfaction, on generational expectations of the sector, on the trade-offs between intrinsic and extrinsic rewards, on changing skill requirements and training, and on the relationship between paid workers and volunteers.

“The findings of studies like ours will hopefully help improve working conditions and the sustainability of the sector,” says Saunders, “but there needs to be a much higher priority on the additional research needed to enhance the sector’s effectiveness and to meet the needs of its workers.”

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CPRN is a national not-for-profit research institute whose mission is to create knowledge and lead public debate on social and economic issues important to the well-being of Canadians, in order to help build a more just, prosperous and caring society.

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