



NONPROFIT HUMAN RESOURCES

BEST PRACTICES TOOLKIT

DEVELOPED BY



WARNER BROS.

taproot

FOUNDATION

Best Practices in Nonprofit HR Capacity

In 2009, the Weingart Foundation commissioned a study of the nonprofit capacity building needs and services in Los Angeles County*. As nonprofit organizations in L.A. and around the country experienced a sharp increase in demand for their services, many of these organizations struggled with operational and management challenges. To help address these challenges, the Weingart Foundation engaged TCC Group to assess the organizational capacity of L.A. nonprofits and identify which types of capacity building were most needed to increase their effectiveness.

The Weingart Foundation study examined a list of common, critical organizational challenges that they identified as being strong predictors of an organization's sustainability. Included on this list were several that fall in the human resources category: **hiring and retention, ongoing employee professional development, employee performance management and resolving human resource problems and interpersonal conflicts.**

Committed to helping Los Angeles area nonprofits increase their capacity, Warner Bros. recognized the importance of the study and its findings and seized the opportunity to assist nonprofits in Los Angeles and elsewhere tackle these challenges by showcasing best HR practices utilized by excellent nonprofits to facilitate peer learning. To do so, Warner Bros. partnered with the Taproot Foundation to gather nonprofit HR best practices and insights directly from the field.

The Taproot Foundation interviewed Los Angeles-based nonprofit organizations that have strong HR programs in place and also tapped its own field expertise in pro bono HR capacity building to put together these Nonprofit HR Best Practice Guides:

-  Performance Management [Page 3]
-  Recruitment, Hiring and Retention [Page 11]
-  Program Staffing [Page 20]
-  Ongoing Professional Development [Page 26]
-  Resolving Problems [Page 34]



* "Fortifying L.A.'s Nonprofit Organizations: Capacity-Building Needs and Services in Los Angeles County". Study by TCC Group; Commissioned by the Weingart Foundation. September 2010.

Guides Built for Nonprofits by Nonprofits

While these guides feature just a few of many practices and approaches, we hope these resources – **generated for nonprofits by nonprofits** – help you think about how to build your own organization’s capacity in these important areas.

Each specific guide covers one topic in organizational HR capacity and includes a variety of resources such as:

- A checklist of common best practices
- Real examples pulled from tools and approaches used by leading nonprofit organizations
- Guiding questions that can help drive your organization’s design and approach
- Specific additional sites or publications where additional helpful information can be found

The audience for these guides are individuals in executive management and board members that inform HR practices and strategies for the organization (i.e. Executive Directors, Directors of Operations, or Directors of Human Resources).

Acknowledgements

Many individuals and organizations were key contributors to these guides. Particular thanks is extended to Lisa Rawlins, Mary-Elizabeth Michaels, Leslie Thurman, Melissa Robles and Cheryl Barth for their content expertise, as well as executives from Climate Action Reserve, MEND, Para Los Niños, SHIELDS and Union Rescue Mission for their feedback on various aspects of nonprofit human resources.



Performance Management

Introduction to Performance Management

What is Performance Management?

Having a clear, consistent performance management program is critical to supporting employees in your organization. Performance management is defined as “the process of maintaining or improving employee job performance through the use of performance assessment tools, coaching and counseling as well as providing continuous feedback¹”.

Why Does it Matter?

Effective performance management can help an organization:

- Think and act strategically about talent management
- Use targeted leadership development to build staff capacity
- Integrate Human Resources goals with broad organizational priorities
- Increase your employees' effectiveness and job satisfaction
- Improve your organization's ability to fulfill its mission through higher productivity
- Produce higher employee morale and retention rates

Performance Management System Checklist

Performance management programs can come to life in a variety of ways, but there are some key components utilized by nonprofits with successful HR practices:

- A consistent, documented performance evaluation process
- Training for all employees on the performance evaluation process including training managers on conducting reviews
- Consistent performance standards used to define and review employee performance
- Employee performance self-evaluations and the chance to discuss reviews with managers
- A method to capture and drive employee goal-setting
- The opportunity for employees and their managers to develop training and/or development plans based on identified current and future needs
- Broader guidelines concerning how performance should be discussed on an ongoing basis throughout the year outside of only annual or biannual reviews

¹ Society for Human Resources Management, “Glossary of Human Resources Terms.”

Examine Your Performance Management System

Identify the strengths and weaknesses of your existing performance management system.

Understanding the strengths and weaknesses of your organization's performance management program is an important first step to help you start identifying specific areas for improvement. Below are sample diagnostic questions to help you assess your organization's current approach compared to other Los Angeles based nonprofits.

Sample Diagnostic Questions

Clear, Mission-Driven Goals and Criteria

- Are the organization's strategic goals clear? How do staff performance goals relate to the organization's success? In other words, if individual goals aren't met, how does it hurt the organization's ability to achieve its goals?
- Are job descriptions and competencies clear? Is staff performance being reviewed based on mutually agreed-upon goals and a clear understanding of job responsibilities?
- Are performance goals currently the right ones, from your perspective? Are they measurable? Are they timely?
- Does performance evaluation go beyond passion for the mission and relate to other aspects of an employee's performance of his or her job?

Implementation and Training

- Are all employees trained and well-versed on your performance management process and why it is important?
- Does the performance evaluation process currently fit into the organizational structure well? Are evaluations being conducted by the appropriate manager (i.e. does the evaluator fully understand the responsibilities of the employee being evaluated)?
- How often does performance evaluation occur? Is it complementary or in competition with any other major organizational or programmatic cycles?

Effective Coaching and Development

- Do managers currently provide constructive coaching and support to help staff reach career and development goals?
- Does coaching and feedback also happen informally outside of the review cycle?

Common Performance Management Challenges

Common Challenges and Sample Solutions

The most common challenges organizations reported with their performance management programs often related to inconsistent process implementation, limited development support and a lack of employee confidence in the connection between goal setting and reviews. Below are a few anecdotal examples from nonprofits about challenges they faced in each category and practices they found helpful to address them.

Identified Challenge	Solutions That Made a Difference
Clear, Mission Driven Goals and Criteria <i>In the midst of their current operating plan, Climate Action Reserve needed to shift strategic priorities. Even though management was clear about these new objectives, staff were unsure about how the change would affect their performance evaluations.</i>	The Reserve focused on solving for this issue by maintaining an annual review process and also implementing quarterly check-ins to monitor progress. This way employees could be evaluated more incrementally and the performance management process could be nimble and responsive to the strategic and planning changes the organization was experiencing. This small change greatly increased staff morale around the process.
Implementation and Training <i>Union Rescue Mission had a cumbersome and difficult to understand performance evaluation tool that managers and staff did not like using and did not trust. Staff was skeptical of the effectiveness of performance evaluation.</i>	Union Rescue Mission invested in the creation of a performance evaluation tool that matches their organizational culture. The new tool incorporates an easy-to-understand, valued point system giving staff ease of use and resulting in more consistent implementation.
Effective Coaching and Development <i>At Para los Ninos employees and their managers expressed a desire for professional development opportunities, but access to trainings and resources were not always financially feasible.</i>	Para los Ninos uses a ‘train the trainer’ model. A relevant staff member will attend trainings or access resources and then in turn be responsible for training other applicable staff in the organization. This approach helps make some development support more sustainably accessible to a larger group of employees despite financial constraints.

When implementing your own solutions, it is valuable to identify how you would determine whether improvement has occurred – reduced staff turnover? Increased productivity? Budget savings? These are just a few of the quantifiable results that improved performance management programs can bring about.

Performance Management Samples

Key Design Decisions

Effective performance management goes beyond just having a system in place – it is about building the *right* system for your organization’s specific needs and your ability to implement it well. Nonprofits with excellent performance management always shared one thing in common: they each identified the approach that worked best for their organizational culture, structure and work.

These high-performing organizations ranged across size and type, but they each began by answering three common questions that would guide their performance evaluation approach:

- What is the right criteria for reviewing employee performance? Should these criteria be based on the job description? Competencies? Individually established goals?
- Will a rating scale be used and if so what scale?
- How often will employees be reviewed? Annually, biannually, or quarterly?

Sample Review Forms

So how do you design the right approach for your organization? A lack of employee confidence in the connection between goal setting and reviews is one of the top three challenges cited with performance management programs. As such, tying performance assessments to criteria that are already familiar to employees can be a very effective approach for organizations that are getting started with performance management.

Your employees are ideally already familiar with the specific goals and targets you use to evaluate your programs, so that approach is often the best place to start for employee performance evaluation as well. Look back at your operating plan and identify the goals outlined for your programs at large, and then break those down to the level of individual employee roles. What does each role need to accomplish in order to contribute to the success of the overall organizational or departmental goal?

Sample Excerpt: Individually Established Goals

STRATEGIC GOAL	RESULT vs. TARGET	SUPERVISOR COMMENTS
1.Goal: Target Measurement:		
2.Goal: Target Measurement:		
3.Goal: Target Measurement:		

Performance Management Samples

In comparison, a competencies-based assessment and rating system tend to be better suited for organizations with a more robust HR infrastructure in place. This approach generally requires a full-time seasoned HR manager to develop consistent and objective performance standards and to oversee implementation on an ongoing basis.

The next page contains an example of a review form template that uses job competencies and a rating scale. To build your own version you would simply substitute “Self Management” and “Adaptability & Flexibility” with your own list of key competencies that are critical to the role being evaluated.

Incorporating Best Practices

Even if you are not using a competencies-based approach, you can still make competencies a part of the review process. Many organizations use the competencies list in an employee’s job description as a reference to identify areas where an employee is a high-performer and where he or she needs improvement. It is a great way to uncover professional development opportunities that can help an employee build the competencies needed to excel in his or her work.

Performance Management Samples

Sample Template: Competencies Performance Standards (with five-level rating example)

Key competencies Required to Ensure Job Performance Skills, abilities and behaviors which can be described and observed.						Rating (Explanation of ratings) 5 = Exceptional Performer 4 = Outstanding Performer 3 = Good Performer 2 = Low Performer 1 = Poor Performer
Job Title Development Specialist (Exempt)	1	2	3	4	5	Comments on job performance in relation to these areas. (Especially where the rating is a 1 or a 2.)
Self Management Manages own time, priorities, and resources to achieve goals, and resolves issues and challenges. Is self accountable for behaving in a manner consistent with our mission and values.						
Adaptability & Flexibility Adapts approach, goals, and methods to achieve solutions and results in changing situations. Copes well and helps others deal with the ongoing demands of change; sees and shows others the benefits of change.						

Performance Management Samples

Encourage thoughtful and reflective discussion.

Great performance management programs engage employees in thoughtful and reflective discussion. To support employees in doing so, organizations found it helpful to use a conversation guide to prompt employees to reflect on their experiences since their last review.

Below is an example of a questionnaire given to employees in preparation for a performance review.

Sample Review Form: Reflection Form

As a first step in this annual appraisal process, I would like to meet with you to discuss your job achievements since your last performance appraisal, progress on goals established, expectations for the remainder of the year, as well as ways of supporting your future development and progress.

In preparation for this meeting, please consider the following questions. Attached is a copy of your current position description to assist you, please review and update as necessary.

We will discuss your responses and my preliminary evaluation of your job performance during our meeting.

- 1. In order of importance, what do you consider to be your most important job responsibilities?**
- 2. What do you consider your major accomplishment(s) since your last performance appraisal?**
- 3. What are the aspects of your job that you like the best?**
- 4. What are the aspects of your job that you like the least?**
- 5. What do you consider your disappointments during the past year?**
- 6. Are there any changes you would like to see made in your job which would help to increase your effectiveness?**
- 7. What do you consider to be the most important skills and abilities you bring to your job?**
- 8. In what aspects of your present job do you feel you need more experience or training?**
- 9. As we work together, do you feel we have good communication? Are there any changes you would like to see me make as your supervisor that would help you achieve your job and/or career goals?**
- 10. Are there other aspects of your position, your performance, or your career goals that you would like to discuss at this time?**

Recruitment, Hiring and Retention

Introduction to Recruitment, Hiring and Retention

What does Recruitment, Hiring and Retention include?

Recruitment, hiring and retention includes all activities from the moment you decide to make a new hire until the moment that position needs to be filled again. Since we all need staff to keep the doors open, it is a process every organization knows well. This section includes identifying staffing needs, recruiting talent, making hires and retaining staff.



Why Does it Matter?

Nonprofit leaders know that talent is the sector's number one resource so it is important to make the right investment from the start. The HR Director at SHIELDS for Families, an organization that works to deliver services to high-risk families in South Los Angeles shares, "if we ensure that we hire the right staff that can be culturally sensitive to the population, have the right skills and are a good fit for the organization, we can guarantee a better delivery of service. And we know that it's all about the clients we serve at the end of the day." There are some common themes and key best practices in recruitment, hiring and retention that can make the process as effective as possible. This guide highlights some of the best practices of nonprofits who know how to make and keep the right talent for their organizations.

Recruitment, Hiring and Retention Checklist

Effective examples of recruitment, hiring and retention typically include the following:

- A comprehensive understanding of the skills and competencies required for the job and how much, if any, demonstrated experience is required
- A clear job description that list responsibilities, qualifications and required competencies
- Mission and cultural fit included as part of the hiring criteria
- Organized and transparent system for collecting job applications
- Careful resume screening
- List of recommended interview questions, including behavioral-based questions
- Equitable and competitive compensation assessment process
- Legal compliance in all areas of recruitment, hiring and retention

Preparing for Recruitment and Hiring

Advance planning is key for making great hires.

Prep work is one of the key features highlighted by nonprofits who have cracked the code to great hiring. These nonprofits focused on three key areas before kicking off active recruitment.

1 Finalize the hiring criteria and process

A defined list of hiring criteria ensures that your internal hiring team is aligned, makes it easier to communicate your needs to candidates and, most importantly, helps you to identify the right candidate when he or she walks through your door.

Some typical areas covered in hiring criteria include:

- Technical skills and experience - What skill set is needed to perform the work?
- Soft skills - What interpersonal skills are needed for this position?
- Cultural - What qualities make someone a good fit for this organization?

In addition, you should solidify in advance who the process will include. Particularly for executive roles, some organizations find it useful to include community representatives on the interview panel (board members, city council person, other departments as well). This can be an effective way to bring in other perspectives and it also enhances community buy-in for the ultimate hire.

2 Prepare a scorecard or competency matrix for assessing candidates

After reviewing candidate resumes and conducting interviews, you will need a way to collect all of the data and assess your candidate pool. A scorecard or competency matrix that captures your hiring criteria is a great way to keep everything streamlined and organized. A sample interview scorecard is included later in this guide.

3 Write a clear job description

A clear, well-written job description increases the chance you will attract the right candidates. Potential candidates should be able to read the job description and have a good sense of whether they will meet the job requirements. The following page includes a sample job description template.

Common features of an effective job description include:

- Brief overview of the organization
- Summary of the role
- Position title and department
- Direct reports and supervisory duties
- Essential responsibilities and job functions
- Experience and competencies required
- Location and travel requirements

Sample Job Description Template

This sample template below includes examples of the key elements of a strong job description. Best practice is to include as many of these elements as possible to provide a complete and accurate picture of the position for potential candidates.

Organization XYZ

Job Title: Development Manager

Organization Description

XYZ Organization has a mission to.....

Position Summary

Organization XYZ is seeking a Development Manager to accomplish.....

This role will report to..... and is based in

Job Responsibilities

- Writing grant proposals and reports
- Researching and qualifying potential funders
- Supporting overall fundraising operations
- Managing the fundraising database and forecasting tools
- Planning and executing fundraising events

Job Requirements

- Bachelor's degree (minimum)
- Minimum 5 years' experience in grant writing, fundraising, marketing, and/or written business development
- Exceptional writing and editing skills
- Strong communication skills
- Availability to work after hours on occasion for events
- Full fluency in Excel, Word, and PowerPoint; Salesforce proficiency desired

Application Process

- Please submit a resume and cover letter to XXXX@xyzmission.org by XXXX date.

Organization XYZ is an equal opportunity employer.

Making the Right Hire

Careful screening ensures that you are making the right hire.

Nonprofits that make great hires typically include the following steps in the screening process. With the hiring and assessment criteria in hand, these nonprofits all reported carefully screening candidates through a resume review and interview process, as well as using a 90-day introductory period to test the waters with the new hire.

1 Resume review

The first step is to conduct a thorough screen of incoming resumes. Developing criteria to screen resumes is necessary as you start narrowing the list of candidates who will make it to the interview round.

Sample Criteria for Resume Review:

- Well organized, professional
- Relevant skills or technical ability rather than aspirational skills
- Gaps in work history
- Increased level of responsibility
- If applicable, managerial experience

2 Interview process

It is best practice to have at least one interview for a candidate be conducted in-person. Often organizations will also choose to do an initial screening process that includes a phone interview in order to narrow down the initial candidate pool and then bring in a smaller number of finalists for an in-person interview.

“Even though it takes a lot of time, really using the right processes to ensure a good selection of candidates, such as a diverse interviewing panel from different programs, is key. It allows your agency to provide a continuity of services to the community.”

- HR Director, SHIELDS for Families

Organizations use a range of resources to assess candidates during the interview process. A few strong examples include:

- Behavioral-based interview questions, which focus on past performance in a similar situation as the best predictor of future success.
- A scorecard listing the desired competencies and skills and a scale for assessing them. The next page includes a sample interview scorecard.

Sample Behavioral-based Interview Questions:

- Discuss an important decision you have made regarding a task or project at work. What factors influenced your decision?
- What is the toughest group from whom you had to get cooperation? Describe how you handled it. What was the outcome?

3 90-day introductory period

Many nonprofits pointed to using a 90-day introductory period as a useful practice for new hires. This introductory period language may be shared with a new or existing employee with their offer letter. A sample of 90-day introductory period language is included later in this guide.

Sample Interview Scorecard

Organizations also referenced the benefits of a transparent, uniform internal approach to evaluating candidates. Many nonprofits with strong hiring practices use a variation of a scorecard to assess candidate interviews. A scorecard is a great tool that is easily customized for different positions by updating the competencies and expertise that are needed for that role.

The following page contains a sample interview scorecard used by a nonprofit organization. In addition to modifying the competencies and skills to be relevant for your organization and the specific open role, your organization might also prefer to evaluate candidates by using a different type of rating scale. You can choose whatever approach works best for your organization; what is most important is just that there is a shared understanding internally of what each rating level means so that comparisons can be as consistent and useful as possible.

Sample Interview Scorecard

Interview Scorecard

Competencies: ___ out of ___ – Technical: ___ out of ___

Hiring Manager: _____ Additional interviewers: _____

Candidate: _____

Competencies	Rating*	Comments
JOB RELATED, ORGANIZATION-WIDE		
1. <u>Judgment & Decision Making</u> —Demonstrates consistent logic, rationality, and objectivity in decision making. Anticipates consequences of decisions.		
2. <u>Communications</u> —Communicates effectively and appropriately one to one, in small groups and in public speaking contexts.		
3. <u>Engagement</u> —Expressed interest and curiosity and can engage easily in relevant discussion.		
4. <u>Job Knowledge</u> —Applies knowledge and skills needed to perform required job functions.		
5. <u>Team Player</u> —Cooperates with supervisors and establishes collaborative relationships with peers. Is an effective team player who adds complimentary skills and contributes valuable ideas, opinions and feedback.		
6. <u>Quality</u> —Produces work that is highly accurate, demonstrates attention to detail and reflects well on the organization.		
7. <u>Productivity</u> —Handles multiple priorities and assignments yet still fulfills all commitments. Expectations related to deadlines, results and outputs are achieved.		
8. <u>Creativity</u> —Generates new approaches to problems or modifications to established approaches. Shows imagination. Readily accepts new assignments and adapts well to changes in procedures.		
JOB RELATED TECHNICAL REQUIREMENTS (Additional skills or competencies identified in the job description)		
1. <u>Written Communications</u> —Has ease and skill in producing and editing excellent written work.		
2. <u>Customer Service</u> —Has significant experience directly supporting an external stakeholder in a dynamic environment.		
3. <u>Documentation</u> —Has delivered solid documentation for the organization or client by creating process/procedure documents.		

*Scale: 6 = Excellent; 5 = Very Good; 4 = Good; 3 = Only Fair; 2 = Poor; 1 = Very Poor

Sample 90-Day Intro Language

This is an example of how organizations have used 90-day introductory language in an offer letter for a potential employee. Remember that this is a sensitive legal matter and if you choose to put it in writing it is very important to do so correctly. Here are some best practices to consider:

- Clearly indicate that the first 90 days are focused on assessing a candidate's fit with the role and organization, and establish any other important goals that should be achieved
- Conduct a 90-day evaluation that sets up strong, mutual expectations for an employee's progress and clearly signifies the end of the introductory period
- Never call this introductory period a "probationary period" – it is not in compliance in "at-will" employment states – and be sure to mention that the 90-day period does not invalidate the at-will nature of employment

"The first 90 days of continuous employment at [Organization Name] are intended to be a learning experience and to give the employee and [Organization Name] a chance to see if the employment relationship is a good match for each party. You will learn your job duties and responsibilities, get acquainted with your supervisor and fellow employees and familiarize yourself with [Organization Name] in general. We refer to this initial period of employment as the introductory period. Successful completion of the introductory period will be marked by an evaluation by your supervisor. Employment is still considered to be at will before, during and after the introductory period."

Keeping the Right Hire

Equitable and competitive compensation is important for talent retention.

One of the most common themes nonprofits mentioned was the improvement they experienced internally when they adopted a standard process for compensation assessment, both in staff morale and retention as well as attracting the best talent. These nonprofits conduct a regular assessment to ensure their compensation policies are equitable and competitive and to build confidence among employees.

Best practices started by asking the following questions:

1 What is the benchmark?

Nonprofits benchmark their compensation against other organizations who work in the same issue area and are similarly sized. This information is helpful for positioning an organization in the market for talent and should be used to compare compensation for jobs that are roughly parallel across organizations.

2 Where do we fall against the benchmark?

The next step is deciding where you want your nonprofit to fall against the benchmark. Do you want to be in the top 10% to attract the talent you need? Perhaps a lower percentile would work for your current situation. This decision directly affects how competitive your organization will be in attracting talent.

3 What is the range of pay for each position?

The top nonprofits tend not to use a fixed salary amount. Best practice is to use a “salary band,” or a range of pay, for each position. This allows you to leverage the band when making an offer and to give people room for growth once they’ve joined your staff. Nonprofits that have employees in multiple locations also should consider geographic differences, such as cost-of-living and cost-of-labor when setting salary bands.

“We review salaries on an annual basis, and while salary is part of our retention strategy, we also have additional benefits that allow employees to commute or work-flex time. We also keep an eye on trends.”
- COO, Meet Each Need with Dignity (MEND)

4 What additional benefits should we offer?

Although budgetary constraints may limit the salary band you can offer employees, a robust and creative benefits package can help to attract talent and highlight your organization's commitment to a positive work-life balance. This might include offering additional benefits such as health insurance coverage, retirement plans, professional development opportunities, credit union membership or a flexible work schedule that allows for the ability to work from home.

Where can I find information on nonprofit salary and compensation?

- Published salary surveys are available online at the Foundation Center (foundationcenter.org/gainknowledge)
- GuideStar offers a Nonprofit Compensation report based on IRS data (guidestar.org/products)
- Websites (salary.com, salaryexpert.com, monster.com)
- Informal professional networks
- Exit interviews or counter-offers

Program Staffing

Introduction to Program Staffing

What is Program Staffing?

Determining, planning and maintaining effective program staffing is a critical and challenging part of organizational planning. How much staff support is needed to deliver your programs? Do you have people doing the right jobs and tasks? Having systems in place to answer these and other key questions helps leaders assess current and future staffing needs, make quicker staffing decisions and be more responsive to improve service delivery.

Why Does it Matter?

Your organization has valuable, much-needed services to deliver in the community, but you know you cannot do it effectively without having the right staff capacity and productivity to meet those needs. Organizations that continually assess their current and future program staffing needs are more efficient in the short-term and resilient in the long-term because they can anticipate and accommodate changing program delivery needs.

Program Staffing Checklist

Organizations with effective program staffing typically have the following:

- Clear understanding of the workforce needed to successfully deliver on current and future programs
- Processes to be responsive to changes in program work
- Ongoing succession planning
- Methods for tracking and analyzing employee time

Identify Drivers of Long-Term Staffing Needs

Tie your planning process to your long-term needs.

Organizations that felt they had achieved the most appropriate program staffing levels had all incorporated their long-term strategies, goals and visions into their planning processes. These organizations were able to develop more accurate projections of their staffing needs, providing longer lead time to address any necessary staffing changes.

“Based on our goals, mission and our 3-5 year strategic plan, we know how to plan and prepare for growth or change and that is coming in the near future. We’re able to determine how much of our program is going to grow, stay flat and what resource they’ll need.”
- COO, Meet Each Need with Dignity (MEND)

Below are some sample questions for your planning process:

Strategic Plan

- Have strategic priorities changed? Will new programs or program adjustments be needed to support these priorities?
- What number of staff will you need to support these programs? What skills will be necessary for current or future staff?
- Are there aspects of your organization’s long-term strategic goals or vision that would be affected by these staffing choices?

Budget

- Are there any projected shifts in funding that may affect program staffing?
- Do you anticipate any grants that may dictate staffing needs for a specific program or period of time?
- How diverse is your funding pool that covers staff salary and benefits? How can risks be minimized?
- Do adequate cash reserves exist? How do you ensure budget for staffing in the case of cash flow fluctuations or unplanned events?

Organizational Chart

- What reporting lines will be implemented for future programs? Are there aspects of your long-term goals or vision that would affect organizational structure?
- When turnover occurs can individuals be directly replaced or does it tend to require replacement by multiple hires? What succession planning processes do you already have in place to accommodate turnover in leadership roles in your organization?
- What additional administrative or program support roles might be needed to accommodate expansion?

Be Responsive to Immediate Program Staffing Needs

There are a few key practices that can help improve an organization's ability to be responsive to change.

In addition to having a long-term strategy, nonprofits with strong program staffing practices all shared in common the ability to react relatively quickly to needed changes. How did they do it? Those organizations all incorporated the following organizational processes and practices:

1 Revisit and adapt job responsibilities

By revisiting job responsibilities regularly, organizations are able to clearly identify new tasks that an employee has undertaken, understand if what is needed to do a job is changing and recognize where additional support is needed.

- Review job responsibilities at key program milestones throughout the year - dig deep to get a full sense of all of the tasks that employees are actually doing, in addition to what might be in their actual job description.
- Incorporate job description audits into the annual performance review cycle. Modify a job description as needed (and within reason) in order to capture what is actually needed to accomplish that role's goals.

2 Create a clear job description template

Using clear and consistent job description templates makes it easier to modify or create appropriate job descriptions throughout the organization. See the *"Recruitment, Hiring and Retention"* guide for an example.

3 Provide cross functional training opportunities as a succession planning tool

Encouraging employees to gain exposure to different departments or more directly arranging the opportunity to shadow one another for limited periods of time and access training has many positive staff development benefits but can be an effective way to increase the likelihood of having additional coverage options if staffing needs change. Examples of other benefits to this approach include:

- Improved collaboration, communication and knowledge sharing between departments and programs
- Awareness of horizontal growth opportunities

4 Support ongoing professional development

Professional development can support the growth of staff members as program roles evolve to demand new expertise. Developing a pipeline of internal talent also means vacant positions can be filled faster and programs can be delivered with less disruption. See the *"Ongoing Professional Development"* guide for recommended resources.

Time Tracking and Allocation

Understand where employee time is being spent by using time tracking.

As reporting requirements and grant restrictions become more intensive, you likely already have been asked to track employee time allocation in some way. However, nonprofits with effective staffing practices also used time tracking as a way to monitor and gauge the appropriateness of their program staffing levels. The nonprofits interviewed for this report shared the following tips on how to use time tracking to strengthen your organization's knowledge about its program staffing:

1 Implement a time tracking system

Time tracking helps you understand how much time is being spent by your employees on which types of work. (It can also be used to track the time volunteers need to spend supporting your program delivery as well.)

- Decide what you need to categorize. Do you need to know under which department, program or specific project that work falls?
- Use an electronic tool, such as an Excel template or a web-based service like Clicktime, to make time tracking turnkey for employees and allow you to easily collect and analyze the data you need. Remember to keep it simple.
- Make sure every employee has consistent knowledge of how and what to report and ask direct managers to review reports for errors and compliance. Accountability and accuracy is key for this to be helpful information.
- Clearly communicate to employees how you will be using this information, why it is helpful to the organization and how it will ultimately benefit them as well.

2 Evaluate the data for patterns and outliers

You can use the data collected through time tracking to help detect if you are in need of program staffing changes. These changes could be increases or decreases in a program area, shifting staff time to under-resourced programs, increasing administrative support, etc.

- Pull reports across departments, programs and the organization at large and watch for trends. Is any one area getting unusually high or low allocation? How does that compare to trends in hitting performance goals?
- Check overtime for non-exempt employees. If overtime usage is exceptionally high, you may not have enough staff support, staff may be poorly managed or hired opportunistically.
- Compare program time and expenses to the budget to understand relative costs and to forecast future resources for program staffing.

Professional Development

Introduction to Professional Development

What is Professional Development?

Professional development involves creating opportunities for staff to strengthen key skills and competencies that allow them to do their jobs better and grow as professionals. Organizations use professional development as a way to boost the skills of their current talent and grow employees into more advanced roles.

Why Does it Matter?

Employee talent is a nonprofit's greatest asset and professional development is one of the best investments a nonprofit leader can make. Professional development has the potential to impact your organization's bottom line in two key ways: when employees' enhanced skills translate into more efficient and effective program delivery and when increased employee satisfaction reduces staff turnover.

A strong commitment to professional development is also a great recruitment tool. Top talent is eager for professional advancement opportunities and nonprofits that provide ongoing development are often more attractive to these potential recruits.

Professional Development Checklist

Organizations that earned high marks on professional development shared several common features:

- A clear process for identifying areas for employee development
- Clear, measurable professional development goals tied to performance evaluation
- Broad access to professional development opportunities such as coaching or training for employees at all levels
- Readily available training opportunities on high-demand topics

Identify Development Needs

Develop a process that allows managers and employees to identify the greatest areas of need.

There are countless professional development opportunities available in the field, but as a nonprofit leader you need your employees to focus on the areas of development that will also yield the greatest impact for your organization. The nonprofits with strong professional development practices all touched on the importance of solidifying an overall strategy for the organization in addition to building customized development plans for individual employees.

1 Develop the organization's professional development plan

Below is a list of suggested questions that can help you identify the key components of your organization's overall approach to professional development. These questions can be answered by the executive leadership, possibly in collaboration with other senior-level managers at your organization.

- Who is our organization or department trying to attract and retain?
- What special skills need to be developed in our employees to deliver our mission? Are these skills technical? Behavioral?
- What is the industry standard? What are comparable organizations (in size, mission, location, etc.) offering their employees?
- What resources are available, including funding and content, to help support our professional development goals?
- When will professional development opportunities be offered? Yearly? Quarterly? On-demand?
- How do we communicate our professional development opportunities internally and externally?

2 Build employees' development plans

Nonprofits with strong professional development each used at least one of these as a starting point for working with employees to identify areas of need:

- **Individual performance goals:** Where does an employee need additional support in order to maximize his/her strengths and develop his/her weaknesses?
- **Job description:** What competencies and skills can an employee improve to do his/her job better?
- **Strategic plan:** Are there organization-wide gaps that can be addressed through professional development at the individual level?

"With Performance Management, training and development plans are tied into broader organizational goals. We're taking the whole picture into consideration, rather than meeting ad hoc requests for training." - Operations Director, Climate Action Reserve

Integrate with Performance Management

Track progress and hold employees accountable by tying development goals to performance evaluation.

Performance evaluation is the most direct way to drive accountability with respect to professional development. Performance reviews double as an opportunity to examine past development progress as well as identify new opportunities for professional development.

The sample on the next two pages provides one example of an Individual Development Plan template – a performance measurement tool that is frequently used to describe and track an employee's development goals.

When filling out this type of template it is most helpful to identify specific activities in the action plan that the employee can undertake over the next evaluation period. Based on the competencies that were identified as areas to develop, are there specific classes or trainings the employee should take? Are there specific behaviors s/he should practice exercising or exposure to specific types of experiences that should be built into plans for the coming time period? Being specific will enable both the employee and the manager to be accountable for investing in the needed areas of improvement.

Sample Individual Development Plan Template

INDIVIDUAL DEVELOPMENT PLAN

Instructions: This section is provided at the conclusion of the evaluation process and offers an opportunity for manager and employee to plan for improvement, as well as for acquisition of needed knowledge and skills.

Strengths

Employee Notes:

Manager Notes:

Areas to Develop

Employee Notes:

Manager Notes:

Sample Individual Development Plan Template

Action Plan

Additional Comments from Employee

Create Access Across the Organization

Provide broad access to professional development across job functions and levels.

Employees might seek professional development opportunities on their own, but providing access through your organization makes it easier for employees to participate and signals you are interested in and value their development. In addition, creating opportunities that are accessible to all employees sends a strong message that professional development is valued by your organization and reinforces it as a core component of your organizational culture.

“Most of us learn on the job, and it’ll likely always be the most impactful way of adult learning. Employees see when there is an investment in topics that feel relevant to them and, more importantly, in the time you’re giving them to do their jobs better.”

-VP and Chief Administration Officer, Para Los Ninos

Professional Development Resources

Below are the three approaches that nonprofits most frequently recommended to access professional development support.

■ **Third-party providers**

A number of third-party providers offer a wide selection of professional development resources including written content, pre-packaged workshops and in-person training. These opportunities range in price, though providers may offer discounts to nonprofits.

■ **Peer coaching**

Coaching from colleagues working in the same field is one of the best – and lowest-cost – sources of professional support. Several organizations cited joining local co-ops or online listservs of fellow nonprofit professionals where they would receive coaching and guidance from peers with experience in similar settings.

■ **Train the trainer**

As referenced in the *“Performance Management”* guide, creating a “train the trainer” opportunity is an efficient way to take advantage of development resources that would otherwise be too costly for a high volume of staff to access. For example, a relevant staff member would attend a class and then be responsible for teaching other staff by leading a training session.

Where can I find more information on professional development?

- Published surveys and research from The Foundation Center, academic institutions or local funders
- Professional associations like the Society for Human Resource Management
- Nonprofit capacity builders and consultants like the Center for Nonprofit Management and the Center for Creative Leadership
- Joining civil organizations like Rotary are also helpful resources, particularly for employees involved in community outreach

Tap a Variety of Sources

Build a broad pipeline of professional development resources.

Nonprofit leaders most commonly cited a lack of available funding as their greatest barrier to providing professional development to staff. While securing unrestricted funds to cover capacity building is a significant challenge in the sector at large, nonprofits with robust professional development offerings all shared in common a history of finding other creative ways to access support.

Below are examples of two approaches these high-performing organizations recommended:

1 Leverage your board to secure pro bono support

Your board and your board members' networks are filled with valuable professional expertise. You can take advantage of this expertise by requesting an introduction to an HR professional to provide pro bono training and development support. If there are specific training needs in other competency areas, such as IT or finance, a similar request can be made to tap that expertise through pro bono service.

2 Incorporate staff training into grant proposals

As a nonprofit leader, you know that the strength of your programs relies heavily on the strength of the staff running them, yet many grants are restricted to funding only “program support” and not costs deemed as “overhead.” Faced with this challenge, several organizations recommended incorporating a staff development component into the budget of grant proposals by focusing on the necessary development and maintenance of program staff expertise. For example, you can identify one or two types of development training that are critical for your programs to be delivered well and tie that training to your program delivery plan.

Resolving Problems

Introduction to Resolving Problems

What do we mean by Resolving Problems?

According to the 2009 Weingart Foundation study, a nonprofit's ability to effectively solve human resource issues is a strong determinant of its ability to grow. Constructively approaching interpersonal conflict, engaging staff in effective problem solving and preventing human resource problems from escalating can help you move your organization forward even as challenges inevitably arise.

Why Does it Matter?

Employees at every organization experience conflict at some point in time. Healthy organizations are prepared with a strong foundation in place to address it. Approaches to resolving problems range from implementing formal office policies to creating an open culture of constructive feedback and communication.

Nonprofits that are exceptionally adept at handling conflict share a few common practices that make a significant difference when problems arise.

Resolving Problems Checklist

Common features of successful problem solving approaches typically include:

- Structured policy and support system for how employees should approach and resolve problems
- Organizational culture that enables and supports open communication and effective feedback
- Training for managers on the organization's approach to conflict resolution and practicing effective feedback

Create a Structured Support System

The right environment and support helps make it possible to proactively address conflict.

Resolving problems comes more naturally when an organization has worked to set the right tone, culture and expectations in the work environment. Below are the three best practices nonprofits identified for creating a structured support system to prevent and address problems.

1 Implement a Progressive Discipline Policy

A Progressive Discipline Policy sets standard procedures that apply across the organization for responding to employee performance or conduct issues. In addition to helping formalize your organization's approach to resolving problems, having this type of policy in place is also essential for nonprofits because it is the most reliable way to protect your organization from wrongful termination charges, which are among the most common lawsuits brought against nonprofits.

The next few pages include examples and sample language for a Progressive Discipline Policy.

2 Set expectations

All employees should be aware of what is expected of them with respect to handling conflict and resolving problems. Two easy ways to communicate these expectations are:

- Outline your office policy in your employee handbook. Employees should have access to this information from the start.
- Integrate training on the organization's relevant practices and procedures into the onboarding process for all new managers and ideally for all employees. Examples of this type of training are included later in this guide.

3 Appoint a "safe harbor" within the organization

When an employee faces a problem, it is helpful to know where to go first. Make sure your employees know who this person is within your organization, particularly if you do not have a designated Human Resources manager. It could also be another senior employee appointed as the "safe harbor" who would act as a neutral zone where an employee can go for help when facing a problem.

Establish a Progressive Discipline Policy

The Stages of Progressive Discipline

Progressive Discipline Policies include an escalating series of responses by a manager that reflect the severity of a performance or conduct issue. Although it can be a time-consuming process, these policies and practices are essential to provide a defensible, clear and consistent pathway for managers to address serious performance or behavioral issues.

Below are examples of the discipline phases that are outlined in effective Progressive Discipline Policies:

Verbal Warning

- The employee's supervisor should immediately schedule a meeting in which s/he clearly outlines the nature of the problem and sets expectations for any improvement or change that is needed. The supervisor should take notes about the conversation in order to document and file it for future reference. Some human resources and legal experts recommend having the employee sign a document at this stage that summarizes the conversation in order to confirm his/her understanding of the issue that was discussed.

Written Warning

- If the original issue continues or new problems arise, a written warning should be drafted that provides more formal documentation of the issue as well as an outline of the potential consequences and a timeframe in which specifically detailed improvements must occur. A copy of this document should be signed by the employee to confirm his/her acknowledgement, and it should be placed in his/her personnel file. It is often recommended that this process include the oversight of an additional manager, ideally in a human resources function.

Final Written Warning

- A final written warning should be issued if improvement does not occur. This memo should include copies of any previous documented warnings and improvement plans. In some cases, the nature of the infraction might require employee probation at this stage. Particularly for an organization that is new to this process, this step should be conducted with the guidance of human resources or legal counsel.

Recommendation for Termination

- The final stage of escalation is recommending and reviewing the case for employee termination. Language in this portion of the policy should be developed with the guidance of a human resources or legal expert to reflect the employment laws of the state regarding "at-will" employment and to reserve the right of the organization to combine or skip prior steps depending on the nature of the circumstances. This final phase must include careful review and the involvement of human resources counsel.

Additional resources to support the development of your organization's Progressive Discipline Policy are provided at the end of this section.

Establish a Progressive Discipline Policy

Sample Progressive Discipline Language

The following page contains a copy of sample language from employee handbooks that include a Progressive Discipline Policy. Your organization's policy should be developed as part of a larger employee handbook and with the guidance of human resources or legal counsel, but we hope this sample excerpt helps illustrate the types of components that will need to be decided upon and included.

Sample Progressive Discipline Policy Language

Note: This sample language was provided by a California-based organization and includes aspects relevant to an “at-will” employment state.

Disciplinary Action

As indicated earlier, violation of company policies or procedures may result in disciplinary action, including but not limited to, demotion, transfer, suspension with or without pay, or termination. The company encourages a system of progressive discipline depending on the type of prohibited conduct. The company is not required to engage in progressive discipline and may discipline or terminate an employee where he or she violates the rules of conduct, or where the quality or value of their work fails to meet expectations. Again, our attempt at progressive discipline does not imply a contract with you or that your employment is anything other than on an “at will” basis. This means that both the Company and the employee may terminate the employment relationship at any time, for any reason, or no reason at all.

As part of our progressive discipline system, and based on the nature of the employee violation, management will attempt to provide the employee first with a verbal warning, then one or more written warnings, and if the conduct is not sufficiently altered, eventual demotion, transfer, forced leave or termination. Your supervisor will make every effort possible to allow you to respond to any disciplinary action taken. Understand that the Company is not obligated to follow any disciplinary or grievance procedure and that you may be disciplined or terminated without going through any procedure. Engaging in any of the following examples of unacceptable conduct may result in disciplinary action, up to and including immediate termination of employment. It is not practical or possible to provide an exhaustive list of all types of impermissible conduct and performance, but the following are some examples:

- Theft, misappropriation, destruction, abuse or unauthorized removal or possession of (or willful damage to) property belonging to the company, another employee, a client or customer, vendor, subcontractor or any individual on company premises. Violation of this rule may also result in criminal prosecution.
- Use, possession, consumption, sale, or transfer of alcohol or illegal drugs on the job or reporting for work under the influence of either drugs or alcohol (see section under Substance Abuse for more information regarding this policy).
- Abusive language, disrespectful behavior, intimidation, fighting and/or assault, threats or actions of physical violence toward another individual or the company (see section under Harassment for more information regarding this policy).
- Carrying or possessing firearms or any other dangerous or illegal weapons on company premises at any time
- Disclosure or improper use of employee, customer or Company ABC confidential or restricted information.
- Removal of company or customer property from the work site without written approval.
- Engaging in any other business or employment that conflicts with or interferes with a person’s responsibilities at the company.
- Disclosing trade secrets or confidential or proprietary information relating to the company or its customers
- Misappropriation of funds, or failure to handle cash in accordance with company guidelines
- Violation of any company policy, including the policies on discrimination and harassment, and privacy of information.
- Engaging in conduct or activity that may raise questions as to the company’s integrity, impartiality or reputation, or otherwise cause embarrassment to the company
- Dishonesty, falsification of employment records, time records, or any company, customer, or subcontractor documents.
- Being convicted of a felony or a misdemeanor while an employee which has a negative impact on the company’s confidence in the employee’s ability to perform his or her job duties properly and fully.
- Falsifying records or information (or misuse or unauthorized manipulation of any computer or electronic data processing equipment or system).
- Unsatisfactory or incompetent performance of job duties, including poor attitude which detracts from job performance or an inability to perform duties in a safe manner
- Insubordination, including failure or refusal to comply with reasonable supervisory instructions, to do assigned work or to work on an assigned shift.
- Excessive absenteeism or tardiness.

Develop Trainings for Managers and Employees

Training equips employees to approach problems in a way that reduces conflict.

Giving and receiving feedback is a powerful tool. The nonprofits that prioritize effective feedback believe that their employees are better positioned to prevent and resolve conflict. Poorly communicated feedback is the root of many workplace issues, but giving and receiving feedback can be challenging. Strong organizations use training to help build employees' strength in this area.

1 Design a training plan

Develop a training plan that best suits your organization's structure and culture – first for all current employees when you initially institute this approach and then as a step integrated into the onboarding of new hires and new managers going forward. Use the following questions as a guide to designing the right plan for your organization:

- Who is being trained? *Will managers, teams or departments be trained together?*
- How will each group of employees be trained? *What in-house, third-party, online or other resources are available?*
- When does training take place? *Will new hires now receive training as part of onboarding? Will employees promoted to becoming managers receive training as part of that transition?*

2 Conduct manager training

Managers are the first stop when it comes to feedback and problem-solving training. They should be prepared to actively model best practices and teach these practices to employees under their supervision. Organizations commonly recommended including the following components in manager training:

- Providing frequent and timely feedback throughout the year – there should be no surprises at the annual review
- Giving feedback on specific, observed behavior and its impact
- Receiving feedback by listening and reaffirming what you hear and asking questions to clarify
- Assessing relevant skills in employees' annual performance reviews, such as communicating concerns effectively and providing timely and constructive feedback.

Sample performance evaluation indicators:

- Demonstrates effective communication skills when giving/receiving critical feedback or addressing concerns
- Identifies and addresses potential conflict in a timely manner
- Appropriately notifies and elevates conflicts to management level when necessary

3 Conduct organization-wide employee training/new hire training

Training should not end with managers. Every employee at your organization should participate in a training that also covers the same effective practices for giving and receiving feedback and resolving problems. Organization-wide training equips all employees with the tools to effectively problem-solve and can prevent conflicts from escalating up to managers.

Additional Resources

Additional Resources and Reference Material

Where can I find more information on developing a Progressive Discipline Policy?

- “Discipline: Progressive Discipline Policy and Procedure“. Society for Human Resources Management: Sample HR Forms. Available via www.SHRM.org
- “Designing a Progressive Discipline Policy“. The HR Specialist; 7 March 2008

Where can I find additional resources on giving and receiving effective feedback and navigating difficult employee conversations?

- “The One Minute Manager“. Kenneth H. Blanchard and Spencer Johnson
- “Feedback That Works: How to Build and Deliver Your Message“. Center for Creative Leadership and Sloan R. Weitzel
- “Difficult Conversations: How to Discuss What Matters Most“. Douglas Stone, Bruce Patton, Sheila Heen and Roger Fisher
- “Crucial Conversations: Tools for Talking When Stakes are High“. Kerry Patterson, Joseph Grenny, Ron McMillan and Al Switzler

BEST PRACTICE
GUIDES:

NONPROFIT HUMAN
RESOURCES

Developed in 2013 by:



taproot
FOUNDATION