

Nonprofit Leaders Must Act Now to Improve Sagging Morale

By Michael Watson

As chief executives, senior managers, and trustees of nonprofit groups respond to the worst recession in decades, many have not focused attention on a quickly emerging problem: More than a third of employees at nonprofit groups and other organizations lack emotional investment in their work and a sense of shared mission with their organizations. They are disengaged. One in four of the employees deemed most promising and hard-working by their bosses is also disengaged, according to the Corporate Leadership Council, a prominent research group.

At a time when the nation needs nonprofit services, solutions, and support the most, the rising number of disengaged employees is a big problem. Such workers put forward less effort, are less productive, and provide lower levels of customer service.

The reasons so many employees are disenchanted are easy to see at organizations around the country. Employees have seen their co-workers laid off, and in many cases they have suffered cuts in their own pay and benefits. As client needs spike, they are being asked to do more with less. In addition, they are coping with personal pressures: rising costs in college tuition and health care; shrinking values in assets like homes and retirement funds; and increased responsibility for jobless family members.

Employees feel vulnerable and are prepared to take action:

- Fifty-four percent of workers plan to look for another job when the economy improves, according to a survey released in June by the Adecco Group, a company that helps businesses find temporary and permanent workers.
- Seventy-one percent of 18- to 29-year-olds say they are likely to look for new jobs once the economy turns around, according to the same survey.
- One in four employees deemed by employers to hold high potential plan to quit their jobs in the next 12 months, according to the Corporate Leadership Council.

One observation I have heard frequently from human-resource managers and employees around the country is the insensitivity of managers to the stress workers face. Too many managers project attitudes about their employees that can best be characterized by phrases such as "Where are they going to go?" or "They should be happy to have a job."

Expecting workers under stress to radiate enthusiasm and continually express gratitude for their jobs is unrealistic. Relying upon the recession and fear of job loss to maintain

worker productivity is an ineffective short-term strategy and will contribute to long-term problems.

Employees pay close attention to how they are treated during tough times. When workers feel unappreciated, disposable, or taken advantage of, they stop caring about their current job and make plans to jump ship once the economy improves. One woman I spoke to who works in the business world said, "Yes, I am glad to have a job, but the emotional and physical toll of increased work hours and the impact on my personal life is not sustainable." This employee, along with many others, has her résumé prepared and plans to leave her job once the opportunity presents itself.

Nonprofit groups cannot afford to alienate their best workers. Nonprofit organizations will need to fill at least 300,000 senior-level jobs by 2016, according to a study released by the Bridgespan Group. When the economy recovers, the war for the most talented employees will continue. Our ability to attract and engage the number of workers we need requires a commitment by senior leaders to improving the connection employees have to their organization. It will require the same kind of attention normally given to tasks like fund raising and balancing the budget.

Many search firms are using the economic downturn to build their list of potential clients. Calls to employees from recruiters have increased in anticipation of an eventual increase in hiring. Their next round of calls to nonprofit employees will be about specific job opportunities. What we do now will determine how our best employees will respond.

In the for-profit world, many companies have shown that business results improve when employee engagement is high — and that it is possible to take steps to increase the positive feelings employees have about their work.

When Douglas Conant joined Campbell Soup as its chief executive in 2001, he inherited an organization with declining sales and rumors that the business itself was ripe for sale. Mr. Conant found that Campbell Soup's engagement scores were the worst of any Fortune 500 firm surveyed. He personally led a campaign to improve employees' sense of connectedness and made a number of tough decisions, including removing supervisors who lacked the skills to engage and motivate their employees.

Today, Campbell Soup is more profitable, its share of the market is growing, and its employees are more connected to the company and the work than those at most organizations, according to Gallup's engagement survey.

Nonprofit groups can take many steps to achieve the kind of results Campbell Soup did. Here are some key ways:

Improve flexibility. Employees increasingly desire a greater balance between their professional and personal lives. Several studies confirm that flexibility was highly rated by employees as a reason for staying with a job. A growing percentage of employees, married and single, male and female, with and without children, all say they need more

flexibility. Employers who provide flexibility have an advantage when they compete for talent.

Provide opportunities for learning. Many nonprofit groups have cut their training and development budgets and may not restore spending any time soon. However, the kind of professional development that can have the greatest impact costs little or nothing. Employers can develop skills and increase engagement with special assignments, cross-training, and assignments to committees that work to develop strategies and tactics to simplify work, improve service quality, or solve the organization's other challenges. Every employee, especially those who are most promising, should have a personalized development plan.

Be open. In the economic downturn, employees are more focused on the financial situation of their employer. A lack of disclosure about the financial status of an organization breeds mistrust and suspicion, especially when layoffs are a possibility.

Recognize workers' contributions. Even when their organizations do not have money to distribute, employees want their supervisors and others to express appreciation for their contributions and hard work. Acknowledge employees' efforts. It does not take a lot of time and can pay lasting dividends.

Provide better managers. Poor managers have a negative impact on employees and organizational results during normal times. But when employee engagement is low, bad supervisors create poor morale and stifle innovation. A poor relationship with the manager remains the top reason employees leave organizations.

National publications seldom cite nonprofit groups when they rank the best places to work. We have the opportunity during this recession to stop trying to catch up to business and instead define the workplace of the future. We are the organizations that take care of the nation's most vulnerable groups — children, the aged, the sick, and the homeless. Since some of the most important work in our society is done by nonprofit groups, we should lead the nation in creating the most engaged employees and the best workplaces society has to offer.

Young workers and baby boomers want to make a difference and we have a built-in advantage in attracting them to our organizations. The business world is aware of this: The best employers are modifying their practices and work environment to allow their employees more time for volunteering and special assignments with charities.

If we can create work environments in which our employees are highly engaged and excited about their work, it will increase the impact on those we serve, attract the most talented employees to the nonprofit world, and raise the bar for all employers across the nation. Let's make this a priority — now, while we have the chance.

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