



Human Resources in the Non-Profit Sector

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Presented to Metro United Way

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May 23, 2003

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Research Paper Series

- A series of five research papers that examines the characteristics of non-profit organizations and the paid workers they employ
- Research is based primarily on Statistics Canada's *Workplace and Employee Survey (WES)*

Topics of the Research Paper Series

- #1: Mapping the non-profit sector (completed)
- #2: Job quality in non-profit organizations (final edits)
- #3: Training & skill development in non-profit organizations (first draft completed)
- #4: Recruitment and retention in non-profit organizations (In progress)
- #5: Organizational challenges & priorities in the non-profit sector (In progress)

- Synthesis paper (Scheduled for April-May 2003)

An overview of the *WES*

- A representative sample of approx. 6,300 workplaces and 23,500 paid employees in those workplaces
- The *WES* does not include:
 - Workplaces run entirely by volunteers (must have at least one paid employee to be included)
 - Religious organizations
 - Workplaces/employees in government & primary industries
 - Workplaces/employees in the territories
- Non-profit workplaces are self-identified at the organizational level (“At this location, is this workplace a non-profit organization?”)

Classifying workplaces and employees

- We identify three broad sectors based on non-profit identification and industry classification
 - For-profit: workplaces/employees identified as for-profit
 - Quango: workplaces/employees identified as non-profit, but located in 'quasi-public sector' industries. This includes elementary/secondary schools, colleges/universities, hospitals, and physical infrastructure (e.g. harbour authorities, water & sewage treatment plants, bridge & road construction)
 - Non-Profit: workplaces/employees identified as non-profit and located outside of 'quasi-public sector' industries.

Further detail on the sectors

- Each of the three sectors is further subdivided into 'industries'
- Small sample size limits the amount of detail we can provide on the non-profit sector (463 workplaces and 1616 employees).
 - Non-profit culture, recreation & associations
 - e.g. arts, entertainment, recreation, culture, civic & social associations, professional associations
 - Non-profit health, education & social services
 - e.g. ambulatory health care, long-term care, individual & family services services, child care
 - Non-profit other
 - e.g. goods-producing, professional and other services

Size of the non-profit sector in Canada*

	<u>Establishments</u> <u>With employees</u>		<u>Employees</u>		<u>Payroll</u> <u>Expenditures</u>	
	<u>#</u>	<u>%</u>	<u>#</u>	<u>%</u>	<u>\$ billions</u>	<u>%</u>
Non-Profit	58,100	8.1	891,000	8.3	22.1	6.6
Quango	5,400	0.8	1,347,100	12.5	42.0	12.6
<u>For-profit</u>	<u>654,600</u>	<u>91.2</u>	<u>8,539,500</u>	<u>79.2</u>	<u>270.2</u>	<u>80.8</u>
Total	718,100	100.0%	10,777,600	100.0%	334.3	100.0%

Based on the WES, there are about 900,000 paid employees in Canada's non-profit sector, accounting for 8.3% of WES employment. The sector accounts for about \$22 billion in payroll expenditures each year. Total employment in the non-profit sector would rise to just under 1,000,000 if employment in religious organizations were included.

* Excluding religious organizations

The size of Canada's non-profit sector is in the 'middle of pack' when placed in an international perspective



Key points...

- The size of the sector may be somewhat smaller than previous guess-estimations have suggested
- Paid employment in the non-profit sector is comparable to total employment in oil and gas, mining and construction industries
- 'Blurring' of the line between non-profit and quasi-public sectors remains a thorny issue
- Others...

The majority of non-profit (and for-profit) establishments have less than 10 employees

% of establishments with...

	<u>1 to 4 employees</u>	<u>5 to 9 employees</u>	<u>10 to 19 employees</u>	<u>20 or more employees</u>	<u>Total</u>
Non-profit	53	20	12	15	100%
Quango	na	na	na	49	100%
<u>For-profit</u>	<u>47</u>	<u>27</u>	<u>14</u>	<u>12</u>	<u>100%</u>
Total	48	26	14	13	100%

Small establishments are prevalent in all areas of the non-profit sector.

Most employees in the non-profit sector are women

% of employees who are...

	<u>Female</u>	<u>Less than age 35</u>	<u>Age 45 or older</u>
<u>Non-profit – All</u>	74	26	39
Culture, Recreation, Assoc.	61	40	29
Health, Educ, Social Serv.	82	22	40
Other	66	24	45
Quango	67	17	51
For-profit	48	37	32

Most employees in the non-profit sector have a post-secondary education, and about 1/2 work in a managerial or professional job

	% of employees who ...		
	Have a University <u>degree</u>	Have a post- secondary <u>credential</u>	Are in a mgmt or professional <u>occupation</u>
<u>Non-profit – All</u>	28	58	48
Culture, Recreation, Assoc.	26	54	51
Health, Educ, Social Serv.	28	63	45
Other	23	43	55
Quango	41	73	56
For-profit	15	44	26

28% of employees in the non-profit sector have a university degree, compared with 15% of employees in the for-profit sector.

The incidence of temporary employment is relatively high in the non-profit sector

	<u>% of paid employees in temporary jobs</u>		
	<u>Non-Profit</u>	<u>Quango</u>	<u>For-Profit</u>
<u>Both Sexes</u>	14.5	14.5	8.3
Men	16.8	7.6	8.2
Women	13.7	17.0	8.4
<u>Age Group</u>			
Less than 35	14.1	22.2	9.7
35 to 44	18.9	14.0	7.4
45 or older	7.5	10.8	7.7
<u>Selected Occup.</u>			
Management	na	na	4.5
Professional	16.3	18.4	4.3
Technical/Trades	15.0	12.8	9.2

The incidence of part-time employment is also high in the non-profit sector

	<u>% of paid employees working part-time</u>		
	<u>Non-Profit</u>	<u>Quango</u>	<u>For-Profit</u>
<u>Both Sexes</u>	25.6	19.9	13.4
Men	18.3	10.8	6.8
Women	28.2	24.6	20.7
<u>Age Group</u>			
Less than 35	22.5	22.5	18.2
35 to 44	24.2	19.8	9.2
45 or older	29.1	18.8	11.8
<u>Selected Occup.</u>			
Management	na	na	1.9
Professional	25.8	23.3	6.6
Technical/Trades	24.3	17.9	8.8

About one-third of female part-timers would prefer to work more hours -- a share that's comparable to other sectors

	<u>% of employees who would prefer...</u>		
	<u>Non-Profit</u>	<u>Quango</u>	<u>For-Profit</u>
<u>Female part-timers</u>			
Prefer fewer hours	--	--	--
Prefer same hours	63.3	66.7	64.3
Prefer more hours	35.8	31.1	34.4
Total	100%	100%	100%
<u>All employees</u>			
Prefer fewer hours	11.3	12.2	9.2
Prefer same hours	68.1	69.7	71.7
Prefer more hours	20.6	18.1	19.1
Total	100%	100%	100%

Overall...

- Temporary and part-time employment is prevalent in the non-profit sector. In some cases, this is due to individual choice...
 - 2/3rds of part-timers do not want more hours
 - 46% of employees in the non-profit sector have flexible schedules (i.e. they can vary start & stop times)
 - the sector provides female employees -- many of whom have children -- with workplace flexibility

However...

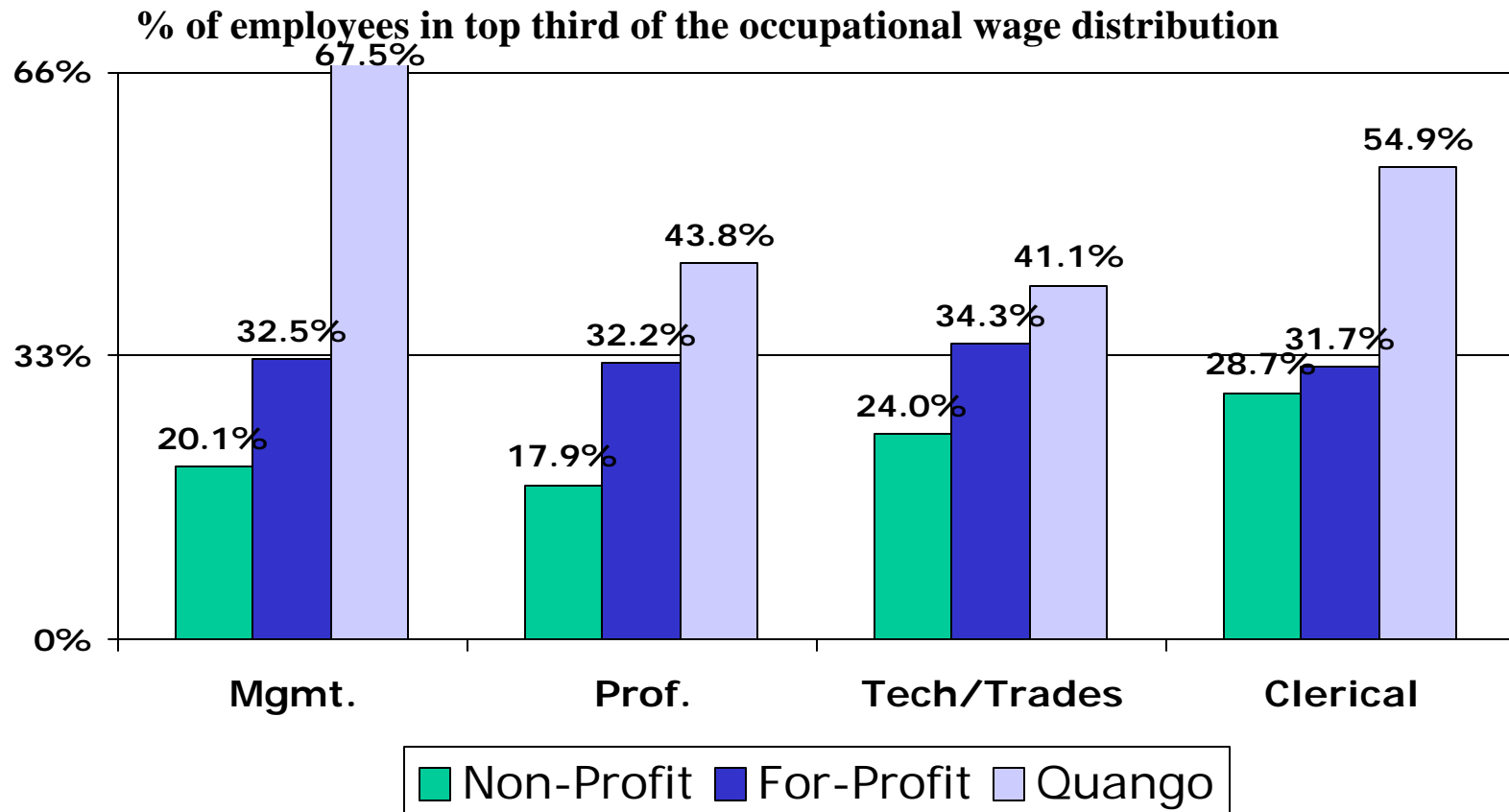
- Organizational constraints (e.g. tight budgets) are also a consideration. Across the entire labour force, 3/4s of temp workers would prefer a permanent job. No reason to believe the non-profit sector is different.
- Unpaid overtime is prevalent in the non-profit sector (more so than in the for-profit sector).
 - But among managers and professionals, there is little difference between the non-profit and for-profit sectors in terms of unpaid overtime.

Evidence from the WES confirms that wages in the sector tend to be low

Median hourly wages of paid employees
within occupational groups

	<u>Non-Profit</u>	<u>Quango</u>	<u>For-Profit</u>
Management	\$16.44	\$32.88	\$20.14
Professional	\$19.73	\$26.16	\$23.00
Technical/Trades	\$13.52	\$18.00	\$15.46
Clerical/Admin	\$13.66	\$15.85	\$13.13
Marketing/Sales	na	na	\$ 8.82
Production	na	\$15.57	\$11.57

'Non-profit' employees are under-represented at the top of each occupational wage distribution



Percentage of employees who participate in selected non-wage benefits

	<u>Sup. Medical</u>	<u>Dental Plan</u>	<u>Life–Disab. Insur.</u>	<u>Employer Pension</u>
<u>All Employees</u>				
Non-Profit	53.8	52.7	54.3	44.7
Quango	69.5	64.6	77.5	78.2
For-Profit	52.0	51.5	55.1	34.2
<u>Full-time/Perm.</u>				
Non-Profit	66.4	64.4	67.1	54.6
Quango	78.9	74.4	88.2	87.6
For-Profit	60.4	59.7	63.6	39.1
<u>Part-time/Temp</u>				
Non-Profit	28.4	28.9	28.5	24.7
Quango	43.4	37.4	47.9	52.1
For-Profit	15.0	15.1	18.0	12.4

Dissatisfaction with wages and benefits is evident in the non-profit sector, especially among older employees

% of employees who are 'dissatisfied' or 'very dissatisfied' with their pay and benefits

	<u>Non-Profit</u>	<u>Quango</u>	<u>For-Profit</u>
<u>Both Sexes</u>	31.7	24.5	27.0
Men	25.3	21.6	23.9
Women	32.7	27.8	28.5
<u>Age Group</u>			
Less than 35	23.7	27.6	25.5
35 to 44	26.9	24.1	29.5
45 or older	37.5	20.3	23.2
<u>Hours of Work</u>			
Full-time	34.4	24.0	27.4
Part-time	23.6	26.9	25.0

**Percentage of employers who provide selected non-wage benefits to permanent, full-time employees
by sector and establishment size**

	Supplemental Medical Insurance	Dental Plan	Life/ Disability Insurance	Employer - Sponsored Pension Plan	Group RRSP	Supplemental Employment Insurance
<u>All Establishments</u>						
Non-Profit	37.8	33.7	37.0	17.5	10.4	6.0
Quango	66.3	52.6	72.5	66.3	25.3	21.0
For-Profit	30.0	27.8	29.1	9.2	11.8	4.4
<u>Less Than 20 Employees</u>						
Non-Profit	29.8	26.7	28.4	13.7	5.5	4.3
Quango	na	na	na	na	na	na
For-Profit	24.8	23.0	23.8	6.5	8.9	3.3
<u>20 or More Employees</u>						
Non-Profit	82.8	72.8	85.0	38.9	38.0	15.5
Quango	81.8	68.6	94.5	89.8	34.9	35.2
For-Profit	67.0	62.0	66.0	28.4	31.9	12.3
<u>Non-Profit Establishments</u>						
Recreation, Culture, Assoc.	32.1	24.3	26.1	10.8	na	na
Health, Educ., Social Services	48.8	46.4	51.9	26.3	18.0	na
Other	26.7	26.2	28.0	13.1	na	na

**Level of Job Satisfaction Reported by Paid Employees
by Sector, Gender and Age Group**

	Very satisfied	Satisfied	Dissatisfied/ Very Dissatisfied	Total
<u>All Employees</u>				
Non-profit	33.4	52.6	13.9	100.0%
Quango	37.5	54.3	8.2	100.0%
For-profit	34.7	55.0	10.4	100.0%
<u>Male Employees</u>				
Non-profit	30.9	57.5	11.6	100.0%
Quango	44.3	46.5	9.2	100.0%
For-profit	34.7	54.9	10.4	100.0%
<u>Female Employees</u>				
Non-profit	34.3	51.0	14.7	100.0%
Quango	34.1	58.1	7.7	100.0%
For-profit	34.6	55.0	10.3	100.0%
<u>Less than 35 years</u>				
Non-profit	23.5	66.3	10.2	100.0%
Quango	34.0	56.2	9.9	100.0%
For-profit	30.2	57.4	12.3	100.0%
<u>Aged 35 to 44</u>				
Non-profit	32.6	52.3	15.1	100.0%
Quango	35.2	56.9	7.8	100.0%
For-profit	36.4	54.3	9.3	100.0%
<u>Aged 45 or older</u>				
Non-profit	43.0	48.2	8.8	100.0%
Quango	40.5	52.6	6.9	100.0%
For-profit	38.2	52.8	9.0	100.0%

**Level of Satisfaction with the Job and with the Pay and Benefits Received
by Sector and Selected Characteristics**

	Non-Profit	Quango	For-Profit
<u>ALL EMPLOYEES</u>			
Satisfied with job and with pay ¹	65.1	69.8	71.9
Satisfied with job, but dissatisfied with pay ²	22.8	22.1	17.7
Dissatisfied with job and with pay ³	9.2	5.0	6.8
Dissatisfied with job, but satisfied with pay ⁴	2.9	3.1	3.6
TOTAL	100%	100%	100%
<u>FEMALE EMPLOYEES</u>			
Satisfied with job and with pay ¹	64.7	69.8	69.0
Satisfied with job, but dissatisfied with pay ²	23.9	24.3	20.7
Dissatisfied with job and with pay ³	8.5	3.7	7.1
Dissatisfied with job, but satisfied with pay ⁴	na	na	3.3
TOTAL	100%	100%	100%
<u>EMPLOYEES AGED 45+</u>			
Satisfied with job and with pay ¹	63.2	76.2	76.2
Satisfied with job, but dissatisfied with pay ²	29.0	20.6	15.0
Dissatisfied with job and with pay ³	na	na	5.7
Dissatisfied with job, but satisfied with pay ⁴	na	na	3.1
TOTAL	100%	100%	100%

Generally, non-profit and for-profit employees have similar perceptions of increasing skill requirements

	% of employees who say skill requirements for their job have increased since starting		
	<u>Non-Profit</u>	<u>Quango</u>	<u>For-Profit</u>
<u>Both Sexes</u>	52.1	64.3	51.0
Men	47.5	63.2	53.0
Women	54.1	64.8	48.8
<u>Job Tenure</u>			
Less than 4 yrs	41.4	47.7	44.3
4 yrs or more	57.7	68.2	55.7
<u>Selected Occup.</u>			
Management	45.7	84.3	67.7
Professional	73.1	70.1	71.4
Technical/Trades	51.6	66.8	55.2
Clerical/Admin	56.4	65.9	56.2

Given the 'people focus' of many jobs in the non-profit sector, computer use tends to be low -- especially in professional occupations

	% of employees who spend at least 1/2 their time at work using a computer		
	<u>Non-Profit</u>	<u>Quango</u>	<u>For-Profit</u>
<u>Both Sexes</u>	24.9	26.4	32.5
Men	30.2	22.9	23.6
Women	23.1	28.2	42.3
<u>Selected Occup.</u>			
Management	31.2	35.5	39.5
Professional	23.0	17.9	72.4
Technical/Trades	16.7	18.8	20.3
Clerical/Admin	65.4	76.2	62.4

About 1/3rd of employees in the non-profit sector supervise other paid employees

% of employees who supervise the work of other employees on a day-to-day basis

	<u>Non-Profit</u>	<u>Quango</u>	<u>For-Profit</u>
<u>Both Sexes</u>	35.5	33.2	39.2
Men	34.8	39.0	46.1
Women	35.7	30.3	31.4
<u>Selected Occup.</u>			
Management	84.0	87.8	80.1
Professional	31.8	32.4	39.3
Technical/Trades	33.3	28.7	38.8
Clerical/Admin	9.7	15.1	19.4

In addition, employees in the non-profit sector must coordinate and supervise the work of volunteers.

Non-profit employers are somewhat more likely than for-profit employers to provide training

% of establishments that provided employee training in the past year

	<u>Non-Profit</u>	<u>Quango</u>	<u>For-Profit</u>
<u>Classroom training</u>	49.1	65.3	29.3
LT 20 employees	43.2	na	24.2
20+ employees	83.4	96.3	66.1
<u>On-the-job training</u>	44.8	63.0	45.0
LT 20 employees	38.7	na	39.7
20+ employees	80.3	89.6	82.9
<u>Subsidies/Reimburse</u>	34.3	48.2	20.4
LT 20 employees	29.7	na	16.1
20+ employees	61.2	76.8	51.6

Non-profit employees are more likely than for-profit employees to receive classroom training

% of employees who received
classroom training in the past year

	<u>Non-Profit</u>	<u>Quango</u>	<u>For-Profit</u>
<u>Both Sexes</u>	47.0	49.1	33.9
Men	33.7	47.6	35.8
Women	51.6	49.9	31.9
<u>Occupation: Women</u>			
Management	66.5	60.7	41.0
Professional	62.3	58.2	49.7
Technical/Trades	39.1	44.0	33.0
Clerical/Admin	41.0	40.2	31.5
<u>Firm Size</u>			
LT 20 employees	48.8	na	23.9
20+ employees	46.3	49.1	39.7

The WES does not provide precise information on the types of training required or received

Most common types of classroom training received

	<u>Non-Profit</u>	<u>Quango</u>	<u>For-Profit</u>
Professional training	15.2	15.2	7.8
Computer software	11.9	19.5	11.0
Health & safety	10.5	8.7	5.4
Mgmt./Supervision	2.7	2.8	3.3
Other	31.7	27.3	18.5

Despite a high incidence of training, many non-profit employees say they receive too little training for the demands of their job

% of employees who say amount of training received is too little for job demands

	<u>Non-Profit</u>	<u>Quango</u>	<u>For-Profit</u>
<u>Both sexes</u>	35.5	37.8	26.9
Men	33.5	36.0	29.3
Women	36.2	38.7	24.3
<u>Occupation: Women</u>			
Managers	26.1	27.4	30.1
Professionals	41.8	42.8	33.4
Technical/Trades	37.3	34.2	23.9
Clerical/Admin	27.6	41.1	26.7
<u>Firm size</u>			
LT 20 employees	33.9	na	21.5
20+ employees	36.3	37.8	30.1

Non-profit employees less likely than others to say the amount of training available to employees has increased*

	% of employees who say amount of training available to employees has increased		
	<u>Non-Profit</u>	<u>Quango</u>	<u>For-Profit</u>
Job Tenure 4 yrs +			
<u>Occupation</u>			
Managers	37.4	72.8	49.7
Professionals	33.7	36.6	48.0
Technical/Trades	29.6	41.8	37.7
Clerical/Admin	48.6	51.8	38.6

Among employees with job tenure of 4 years or more, 13% of those in the non-profit sector say the amount of training available to employees in the organization has decreased, compared with 6% in the for-profit sector and 10% in the quango sector.

* has increased since first started in the job

The skills and training story for non-profit employees...

- Skill demands in the sector are, at a minimum, comparable to those in other sectors of the economy
- Non-profit establishments have done a good job training their employees, as least as measured by the incidence of training
- In spite of the higher incidence of training, non-profit employees are more likely to say that training is inadequate
- This may reflect...
 - higher expectations among these employees given their educational attainment and awareness
 - rising job demands (due to changes in external funding environment) coupled with stable or declining organizational capacity to provide training



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