

# Pilot Project Shared Human Resources for Rural Social Service Organizations

**Final Report**  
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A report of a project on Pilot for Shared HR Resources for Social Service Non-Profits undertaken by the South Okanagan Similkameen Volunteer Centre on behalf of the Non-Profit Sector Labour Market Partnership.

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## 1. Pilot Highlights

This pilot project drew attention to the importance of Human Resources Management and helped build Human Resource capacity in 10 rural social service non-profits. This project resulted in a step forward towards helping the Labour Market Human Resources Strategy realize outcomes for social service non-profits which included establishing the sector as an employer of choice.<sup>i</sup> Human Resource reference materials<sup>ii</sup> were developed in this pilot to focus on identified areas of need in the participating agencies. Individual non-profits were responsible to self identify their needs, adopt reference examples that met their needs, and make materials specific to their organizations. Participating non-profits self reported their application of the reference materials which included adoption of privacy laws and communications strategies as well as the creation of employee handbooks. Most importantly codes of conduct were created in a one-two page agreement that all board, volunteers, and staff sign. As well, employment contracts were reviewed to ensure they address basic employment law concerns. Information packages continue to be used.

Three events brought together the non-profits in a spirit of learning and sharing. These events focused on building Human Resource capacity including Human Resource management skills. The project was also open to other training<sup>iii</sup>. The project recognized that Human Resource management is part of the mix of important management issues non-profits deal with<sup>iv</sup>.

There are a number of issues and barriers impacting the non-profit sector. Any project working with non-profits will likely encounter these issues such as limited funding, current resources spread too thin and differing priorities of each non-profit. These issues surfaced during this pilot and impacted the participation of qualified non-profits.

This project prepared the participants for the next stage in the sharing of Human Resources. Several non-profits identified their willingness to participate in this next stage. At the end of this report is a proposed program for the continued sharing of Human Resources in our region. This sustainability strategy will support ongoing HR development while addressing participant barriers.

## 2. Context and Overview

The South Okanagan Similkameen Region of Interior BC has a population of 84,000 residents. The region has seven cities and towns including Summerland, Penticton, Okanagan Falls, Keremeos, Princeton, Oliver and Osoyoos. The region is characterized as rural, isolated, economically and socially disadvantaged. Large numbers of retired people move to the region due to the climate. However this desired place to live is offset by a higher rate of unemployment, lower paying service jobs, seasonal work, and more limited possibilities for career advancement than in larger urban centres. The region has over 250 non-profits that bridge a significant gap between affordable business and government services, and resident needs.

Ten small, rural social service non-profits with staff, but with no access to Human Resource support, were qualified as participants. Participating non-profits were provided with reasons for improving Human Resource policies and procedures<sup>v</sup>. The reasons ranged from hiring the right people, getting the best out of people and following legislations such as the Labour Standards, Human Rights and Workers Compensation Acts. Labour Force trends present a challenge for non-profits when managing human resources, as the population ages and the workforce becomes more culturally diverse<sup>vi</sup>.

While the 10 social service non-profits employ more than 100 staff, the participants made it clear that the need for more employees, with increased and varying skills, is essential to meet growing demands for services. Most employees are part-time. The reason these non-profits do not have the desired number of employees was inadequate funding.<sup>vii</sup> Less than sufficient funding is also

given as the main reason for low employee wages and limited benefits. Other studies confirm non-profit wages as low<sup>viii</sup> with employees having limited access to benefits<sup>ix</sup>. Non-profits rely on specific government ministries and community gaming grants to provide more than 50% of their income. Educated professional women were the majority of employees in this pilot. Other studies confirm the majority of employees in non-profits overall are women<sup>x</sup>.

### 3. Project Purpose and Objectives

The purpose of the program was to pilot a shared model of HR in non-profits following on the recommendations of the feasibility study of the United Way of Northern BC 2010. The program was designed to encourage collaboration, sharing and knowledge-pooling of rural non-profit HR successes, and communicate the benefits of improving and sharing rural non-profit HR systems.

The program objectives included the application of a participatory learning process to:

- Proactively connect with participating organizations to identify their training and HR related needs and assisting organizations to meet those needs.
- Identify the capacity (skills and willingness) of 1) participating organizations and 2) other local community organizations that can support building capacity.
- Provide support to ensure they acquire skills needed to complete HR work.
- Coordinate and provide learning to build HR capacity.

The program was also designed to build partnerships among rural non-profits to address HR management challenges, determine a sustainability strategy that will support ongoing HR development, and further the goal of achieving strong operational HR practices in non-profit organizations.

### 4. Program Activities and Implementation

The program was implemented in three steps:

- Program Initiation and Data Collection. Participating organizations were qualified as rural social service non-profits. Two surveys were undertaken: one to determine the level of HR Technical capacity; and the other to determine the learning and sharing resources needs.
- Applied Learning. Three learning events were held to meet the objectives and respond to the information needs identified through the HR Technical Survey.
- Program Evaluation & Finalizing Deliverables. In this step the project was reviewed, barriers identified, recommendations formulated, and an approach to sustainability was designed.

#### Step 1: Program Initiation and Data Collection

i. **HR Technical Survey Summary Results**. Most social service agencies have policies and procedures in place in regard to many of the HR areas addressed in the survey. However all agencies HR policies and procedures were not formally documented. Formal documentation was lacking in a) hiring and termination practices, b) orientation and training, c) contracts and compensation, and d) employee performance standards and reviews. Participants identified areas of learning to include creating an employee guidebook and creating a positive organizational image in the community.

All participants expressed that funding was the key issue to improving the operations including HR practices and policies. *Additional funding would take the burden off by hiring more staff,*

*allowing the ED to manage the organization versus managing and running programs, allowing for a greater focus on programs versus delivering programs while fundraising, and paying staff competitive wages for all the hours they work.* It was reported that highly experienced professionals are earning no more than \$22,000 annually, given the available income and part-time conditions. Most (75%) of employees in non-profit organizations are women. Pay equity does not exist in comparison to professionals doing similar work within Interior Health, for example.

## ii. Learning and Sharing Resources Survey Results

### (a) Learning

All organizations indicated they would be willing to share expertise. The ideal sharing would occur for a half day once every two months. Most organizations do not have a training budget and if they do, it is for specific program training. Areas of expertise they feel they could share included:

- strategy planning
- grant writing
- developing partnerships
- administrative structures
- policies and procedures
- advocacy
- program development

Areas of learning they feel they could benefit from in the next year include:

- fundraising
- lobbying
- forming coalitions
- board development
- administration
- marketing
- volunteer management
- contract tendering

### (b) Sharing Resources

Several participants indicated they would be interested in helping to create a pool of shared resources from which they could draw from. These participants had contracted out work in the last two years. Reasons for contracting out work included insufficient skills in-house, no need to employ staff on an ongoing basis, and no time to do the work themselves. Outside expertise, with objectivity, was sometimes required, and/or the project was very short, with specific goals. Specific tasks could be contracted out such as research especially when staff does not have the research expertise.

For sharing resources, participants indicated that they would spend more time up front and would be prepared to meet more frequently until a coalition forms. More than half of the participants indicated they do not have an organizational budget or plan for contracted services.

Participants indicated the following top resources for pooling:

- Bookkeeping and Accounting (year end)
- Board Development
- Fundraising
- Event Planning and Coordination
- Evaluation
- Updating and maintaining policy manuals

- Marketing and promotions
- Skilled volunteers (e.g. building repairs, electricians)
- Grant and proposal writing
- Volunteer management and coordination
- Strategic Planning
- Intake and Assessment (high level)
- Legal
- Reception and Computer Skills

Sharing resources is an investment that promotes sustainability. Currently no funding exists for sharing resources. Most non-profits have to operate out of less than adequate and safe environments with less than adequate equipment. In addition to sharing resources, participants said that sharing a building or a community centre would help to address the inadequacy of space. Sharing a building with large enough meeting rooms, ample parking, good equipment, accessible to public transit, with a commercial kitchen and a resource centre would be ideal.

## Step 2: Applied Learning

iii. **Oct. 12, 2011, Learning and Sharing Event.** Two organizations, The Brain Injury Society and the South Okanagan Women in Need Society, provided their HR policies as examples for other participants at the Oct. 12 learning event. The South Okanagan Similkameen Volunteer Centre provided a Code of Conduct and Staff Guidebook. Participants found several policies could be combined into a guide book or code. The examples helped address the need, identified in the survey, for non-profits to document policies, especially those supporting performance, discipline and conduct.

The Oct. 12 learning event first reviewed the results of the survey with participants. Each participating organization is responsible self-identify their individual organizational needs, and further create their own policy requirements. Participants noted their need to create and/or formally document written performance standards, employee handbook, code of conduct, communications policies and use of name and logo policies. Participants identified areas for future learning including:

- insurance
- compensation and benefits
- employment law
- communication plans
- employee performance standards
- workers compensation

iv. **Nov. 17, 2011, Learning and Sharing Event.** The November 17 Learning Event addressed other learning areas, specifically: compensation and benefits and communications. In addition Labour Market issues and strategies were presented. Karl Crosby, a retired communications specialist, led a discussion on Communications. Additional handouts and references were provided to participants as resources for the learning areas.

v. **Jan. 19, 2012, Learning and Sharing Event.** This final Learning Event focused on the basics of Employment Law. Richard Covell, Barrister and Solicitor, who specializes in Employment Law, spoke to participants. Discussion ensued as to how to best construct independent contracts, undertake performance reviews, create performance standards, and to establish disciplinary and termination processes. Further materials were provided to participants pertaining to employment laws.

## Step 3: Program Evaluation and Finalizing Deliverables

### Learning Event Summary Results

Participants who attended the Learning Events were grateful for the resources and the discussions. They found resource materials to be very complete; everything was available for them including websites on where to find other information.

Follow-up with participants between the Learning Events resulted in further assistance with developing policies. For example, one participant wanted to know what is usually included in an employee file. Another participant wanted help creating a privacy policy and another needed assistance in creating an employee handbook. Participants continue to update their own policies while referring to handout materials.

Issues positively impacting the level of participation:

- Readiness for change-- some organizations were in a developmental stage with respect to growth and had already been doing work in improving HR procedures so they were ready for further learning.

### Barriers to Improved HR and Learning

Documenting policies in some non-profits is proving to be a slower process than others. Challenges impacted the overall continuity of the project. These challenges interrupted the flow of learning materials to participants and subsequent adoption of HR Policies and Procedures. It took extra time to keep participants in the loop when participants did not attend learning events, and also when someone replaced them at an event. Building a learning team works best when the same team members participate at each event.

Issues which negatively impacted the level of participation included:

- Each non-profit structure & culture differs to the extent one solution doesn't necessarily fit all
- Executive Directors assuming dual role in administration and program delivery limiting time for learning.
- Funding allowing for part-time staff only (including Executive Directors); staff do not have the time to attend all learning events.
- Participants already work extra unpaid hours and asking them to participate in learning events placed an additional burden on an already overburdened group
- Training budgets are small and dedicated to programs; most organizations do not have training dollars for improving core business functions and administration
- Focus is on securing funding, then delivering programs; learning is not a priority
- A current low rate of staff turnover, a team of extremely committed and devoted individuals with extensive experience, who see little need to formalize every procedure.

## 5. Recommendations

To provide sustainability, it is recommended that a proposed program to further resource sharing build on this pilot project. This proposed program, directed at assisting small organizations to share learnings and resources and adopt new procedures, needs to have the resources and funding necessary for change. The program would build on an awareness of the part-time dual roles of many Executive Directors and the extra unpaid work employees currently do. The program will consider the lack of core funding including the lack of dedicated training dollars for improved procedures. These programs must be considered in such a manner as to alleviate burnout.

Programs for small non-profits would benefit from a higher level of intervention where an outside party actually “does the work”. This level of support is not only needed for HR, it is also needed for fundraising, grant writing, technical support, and other areas for learning and sharing including those that come under the umbrella of “core” operations.

In addition to ensuring full program costs are covered, participants seeking to learn and share resources need to be compensated for their time spent doing so. It is currently not considered part of their paid work. Expenses they incur need also to be reimbursed. It is anticipated that these additional program specifications will offset barriers related to participation especially the lack of funding and availability of part-time staff.

## 6. Sustainability Proposal for Rural Non-profits Shared Resources and Services (In Brief)

This project will create a forum for prioritizing potential shared resources. It will create and implement a step by step approach to sharing resources and services. It will apply models and insights gained from the project on Shared Services undertaken by the United Community Services Co-op, Nov. 2010. And, it will bring together social service non-profits identified in the pilot as a core group, and expand to include other non-profits.

Social Service non-profits identified areas for sharing resources and possible services. They include such things as bookkeeping, marketing, grant-writing and reception services. A central office area was identified as an area to explore as part of the sharing. However, since participants identified that funding was not currently available for establishing shared resources and services, outside funding will be necessary to begin the process.

While the objectives and anticipated time lines are laid out sequentially, implementation may not occur in sequence. That is, the committee may proceed with implementing certain shared services if a core group of non-profits is ready to proceed. The proposed project is estimated to cost \$275,000 over a two and a half year period.

Objectives	Time	Expenses
Step 1) Convene a core governing group to develop a situational analysis, decide what to explore, and formalize as a shared services committee	3 months	Facilitator Research & Writing Coordination Room Costs Costs of Participants <u>Materials</u> Total Expenses: \$50,000
Step 2) Facilitate the committee through the next steps of decision making, and creating necessary plans including a business and operational plan.	6 months	Facilitator Research & Writing Coordination Room Costs Costs of Participants <u>Materials</u> Estimated Expenses: \$75,000
Step 3) Implement the shared services plan	12 -24 months	Procurement of Services Management of Services and agreements <u>Initial Shared Resources</u> Estimated Expenses: \$150,000



Beyond the two years of this project, sustainability will occur through: a) income savings as a result of initial sharing resources & services b) potential social enterprise initiatives, and c) ongoing shared funding between non-profits, including shared rental space and shared equipment.

### Website References

British Columbia Labour Standards:

[http://www.bclaws.ca/EPLibraries/bclaws\\_new/document/ID/freeside/00\\_96113\\_01#section8](http://www.bclaws.ca/EPLibraries/bclaws_new/document/ID/freeside/00_96113_01#section8)

BC Labour Fact Sheets: <http://www.labour.gov.bc.ca/esb/facshts/>

Federal Labour Standards: [www.labour.gc.ca](http://www.labour.gc.ca)

Work Safe BC: <http://www.worksafebc.com>

Human Rights in British Columbia: <http://www.ag.gov.bc.ca/human-rights-protection/pdfs/EmployerInfo.pdf>

Office of the Information and Privacy Commissioner for British Columbia: <http://www.oipc.bc.ca/>

Canadian Centre for Occupational Health and Safety: <http://www.ccohs.ca/>

Cultural Human Resources Council: <http://www.culturalhrc.ca/hrtools/index-e.asp>

HR Council for the Non-profit Sector: <http://hrcouncil.ca/hr-toolkit/home.cfm>

### End Notes

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i Non-profit Social Service Sector Strategy Outcomes: Sector perceived as the employer of choice, with broad awareness of opportunities in the sector, workforce attracted to and retained in the sector because of a compelling value proposition, diverse sector workforce, representing the full range of our communities generations, increased representation and engagement of Aboriginal employees in the sector workforce, strong leadership at all levels, ready to take on the challenges of the future, readiness and resilience for change and innovation. Source: Strategic Plan Vancouver Foundation: HR Strategy Outcomes.

ii Reference materials included: **South Okanagan Similkameen Volunteer Centre Society's** Code of Conduct, Staff Guidelines aka Employee Handbook , Oct. 12 Pilot Project Presentation (Summary Survey Results), Nov. 17 Pilot Project presentation  
**South Okanagan Brain Injury Society:** Policies: The Hiring Process, Employee Code of Conduct, Employee's Conflict of Interest Agreement, confidentiality agreement, performance evaluation, poor performance policy, staff training and Professional Upgrading, discipline, termination of employment, policy on hours of work, Diversity and Employment Equity, Policy on Use of SOSBIS Assets By Outside Parties, Policy On Violent Clients, Reporting an Infectious Disease, Travel & Expense Policy, Policy on Unused Vacation Time, Reporting a Workplace Injury, Client Appeals & Complaints, Abusive Conduct Protocols: Protocols When Working With A Client, Protocols re Gifts, Money, Wallets, Prescription Drugs and Belongings, Protocols, When Transporting a Client in a Vehicle, Protocol For Employees Working Alone With A Client. **Community Social Service Employers Association** [www.cssea.bc.ca](http://www.cssea.bc.ca), Personnel Policies and Procedures Manual, Attendance, Hiring and Promotion, Managing Succession Guide, Salary Administration Guide, Managing Employee Performance Guide. **Richard Covell**, Barrister and Solicitor, Basics of Employment Law Handout.

iii HR capacity includes learning how to do job specific duties. The United Way of Northern BC 2010 Feasibility Study pointed out that non-profit staff need this type of learning and the pilot should focus on this first. "The concept behind this proposed Shared HR Services Model is to build HR Management capacity by focusing on 'training needs' and moving out from that to other HR-related issues" (p. 37) The project was structured to accommodate job specific learning by determining the extent of this in the needs assessment and allowing for learning events to meet these needs. HR technical knowledge must not be made so detailed and

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complicated that it overwhelms staff. This technical knowledge needs to be available the form of “fact sheets” and “at a glance” documents where information has been consolidated for ease of practical understanding and use.

iv The effectiveness of managers in “cultural” organizations and the organizations themselves depends on success in many functional areas of which HR management is one. Other critical areas include organizational skill, financial management, fundraising, marketing, public communications, program management, creativity, connections in the non-profit and business world. Many small “cultural” organizations do not need comprehensive procedures for all activities commonly categorized as “human resource management”. The number of staff they have-the complexity of staff structure-and hence the amount of use they would get out of some procedures—simply doesn’t justify the time involved in setting them up. The organization will function just as well without them. This applies to all sectors not just culture. Source: Best practices-[www.culturalhrc.ca/hrtools](http://www.culturalhrc.ca/hrtools)

v Reasons for improving Human Resources Policies and Procedures include: Legal Obligations under Employment Standards Human Rights and Workers Compensation Acts, HR Management is directly linked to Communications issues identified; improving HR will improve communications. Regardless of where they work people respond the same way to the way they are treated, they are demotivated and leave for the same reasons and work hard and are happy in organizations for the same reasons. Enormous resources have been dedicated on how to get the best out of people; how to recruit, reward and keep the best performers. This wealth of HR Management wisdom is applicable to any organization that employs people regardless of the sector.

vi Labour Force Trends include an Aging workforce, Leadership deficit, New generation of workers, Cultural diversity. Demands on Non-profits include: Sector is growing, Increased demand for service delivery, Implications of economic downturn, Funding and revenue, Relationships with government. Labour force in non-profits matter because of the critical work provided by the sector and the important contribution it makes to the social and economic health of communities. Labour Strategy Recommends: a deliberate, purposeful focus on doing a better job of HR management, intentional efforts to continue building an inclusive workforce, a research and development strategy that produces empirical evidence that is useful and used across the sector, broadly-based coordinated efforts to promote the value of the work in the sector, that organizations and funders commit to supporting competitive compensation, good working conditions and effective HR management. Source: Toward a Labour Force Strategy for Canada’s Voluntary & Non-profit Sector

vii Number of employees in participants range from 3 to 30, most organizations have permanent part-time employees (55%). 35% of organizations have full time employees and 10% utilize contract and casual workers. 67% of organizations indicated they do not have the appropriate number of employees to manage the work well. 54% indicated they do not have the right mix of skills to carry out their mandate. Given available funding more than 80% plan to hire between 1-3 employees or contract workers in the next 2 years. Source: HR Technical Survey- South Okanagan Similkameen Volunteer Centre

viii Nearly 40% of the sector employees make between \$25,000 and \$34,999. The majority of senior positions make between \$35,000 and \$49,999. By way of comparison, the average Niagara wage is \$42,002. Source: Niagara Study on Wages & Benefits- 2005 (2000 non-profits) Centre for Community Leadership, 300 Woodlawn Road, Welland, ON L3C, 7L3

ix About half of the people who work in non-profit organizations have access to employee benefit plans such as life or disability insurance, dental plans or supplementary medical plans. Less than half (about 45%) have access to employer pension plans. Recruiting and retaining the most committed and knowledgeable people in the sector, will require finding ways and means to improve access to employee benefit plans and retirement plans, especially as the competition for talent becomes more intense. Source: HR Council for Non-profits (<http://hrcouncil.ca/hr-toolkit/planning-compensation.cfm>)

x Women account for a clear majority of staff (76%) and the majority of those in senior positions are female (77%). Source: Niagara Study on Wages & Benefits- 2005 (2000 non-profits) Centre for Community Leadership, 300 Woodlawn Road, Welland, ON L3C, 7L3