

Not-For-Profit Industry Survey Report

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Not-For-Profit Industry Survey Report

Prepared by Challenge Consulting Australia
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Background

Challenge Consulting recently undertook a survey of Not-For-Profit organisations to determine the key issues they face, relating to the attraction and retention of staff in this market sector, and the ways in which they approach the management of human resources.

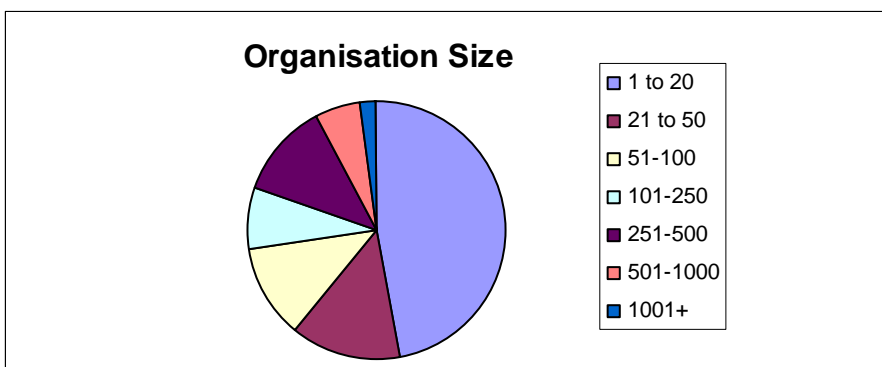
Responses were received from 51 organisations across Australia, varying in size from less than 20 staff, to one organisation employing over 1000 (excluding volunteers). This represented a total employee population size of 11,300.

It was interesting to note that regardless of size and location, there were many common factors impacting the NFP sector.

Some Key Findings

- Almost all respondents indicated difficulties in sourcing and recruiting quality staff members across a range of professional functions.
- A lack of candidates was seen by over two thirds of respondents as being a major problem in the recruitment process.
- When selecting outsourced recruitment or HR consultancy, the most important factors were overwhelmingly the ethics and reputation of the outsourced supplier.
- Interestingly, while value for money is very important when selecting outsourced services, merely obtaining the lowest possible cost is not the driving factor. Quality and a “do it right, do it once” track record are the deciders.
- The training and development of staff is recognised by almost all respondents as being of critical importance in the development and retention of a superior workforce.
- Some still indicated, however, that their organisation currently neither outsources this function nor has an internal function in place.
- The area of professional development and training is one that half of all respondents to the survey want to know more about – more information regarding this can be found at the end of the survey report.

Organisation Size



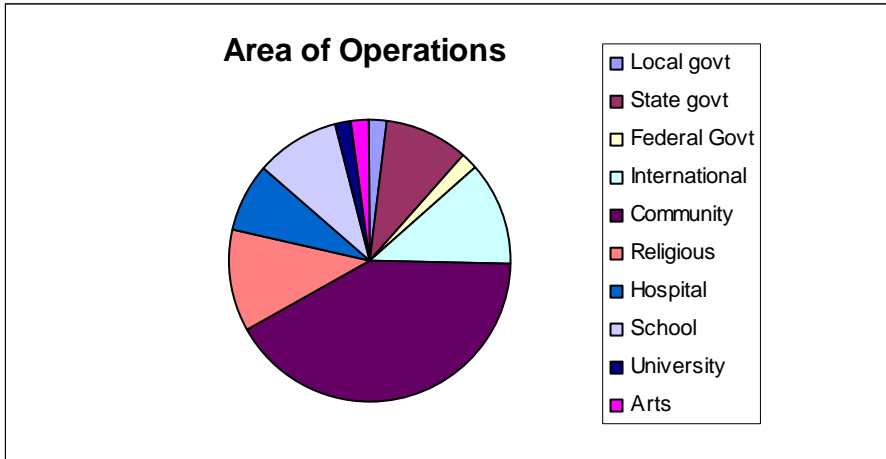
! Key finding:

The bulk of organisations (almost 61%) employed fewer than 50 staff.

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Area of Operations

Responses came from a wide area of involvement. The highest concentration was of organisations involved in community services, with health and education also well represented.



Outsourced Services

Whilst the majority of our respondents (69%) support their own HR function, we saw definite evidence of outsourcing in a range of HR events, particularly highly specialised areas such as employment law, IR and superannuation.

25% of respondents already outsource recruitment, with a further 4% indicating a desire to do so.

Training and development is currently outsourced by almost 30% of respondents, and 8% wish to outsource in the future. This area is increasingly critical in retaining the right people – most NFPs recognise the need to invest more in staff development.

Outsourced Services	Yes, we outsource	No, we have an internal resource	We would like to outsource	No need
Human resource management	14%	68%	2%	17%
Recruitment	25%	53%	4%	18%
Salary and benefits planning	14%	74%	2%	10%
OH&S / workers compensation	6%	82%	0%	12%
Exit interviews	4%	76%	2%	18%
Workforce planning	4%	76%	0%	20%
Staff retention	6%	7%	0%	24%
Superannuation	25%	63%	0%	12%
Employment law	51%	33%	2%	14%
Industrial relations	37%	45%	2%	16%
Training	29%	51%	8%	12%

! Key finding:
Some organisations have indicated that they neither outsource training nor have an internal function in place.

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Areas of difficulty in recruiting

Almost all respondents were experiencing increasing difficulty in recruiting good staff. The categories of staff giving most difficulty were volunteers (28%), fundraisers (27%), administration/secretarial (22%), carers (20%), and trainers (16%). However, even traditionally attractive roles in communications and PR were proving increasingly difficult to fill with 12% of respondents indicating they had experienced problems recruiting in this area.

Areas of difficulty in recruiting:	
Accounts	12%
Administration / Secretarial	22%
Advice / Information	2%
Campaigners	10%
Carers	20%
Communications / PR	12%
Fundraisers	27%
Human Resources	4%
International Development	2%
Policy Makers	4%
Researchers	4%
Temporary Staff	10%
Trainers	16%
Volunteers	28%

! Key finding:

Almost all respondents indicated difficulties in sourcing and recruiting quality staff members across a range of professional functions

Factors contributing to recruitment difficulty

! Key finding:

A lack of candidates was seen by 68% of respondents as being a major problem.

The relevance of available candidates' experience was cited as a difficulty by 67% of organisations.

Many others factors contributed to a lesser degree to the growing difficulty in recruiting the right staff, including difficulty in meeting salary expectations and /or packaging salary in such a way as to be attractive to candidates.

Interestingly, based on most responses the NFP sector rates itself highly on recruiting for behaviour and aptitude rather than skills and experience. This degree of flexibility and lateral approach to recruitment helps to overcome the prevailing skills/candidate shortages, and to some extent also the issues of salary competitiveness.

Overall respondents were satisfied with their in-house recruitment performance, and/or that of their selected recruitment agencies, even in this difficult recruitment market. Roles were being filled, however time to fill was increasingly an issue (see table overleaf).

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Factors contributing to recruitment difficulty:	Strongly agree	Agree	Occasionally	Disagree
Lack of any candidates	28%	40%	18%	14%
Shortage of candidates with relevant experience	40%	27%	22%	11%
Candidates' salary expectations are too high	12%	38%	33%	17%
Candidates lack relevant academic qualifications or certification	7%	17%	46%	30%
Expectations of the hiring manager are too high	0%	15%	41%	44%
Candidates don't fit our organisational culture	5%	15%	53%	27%
Hiring decisions are based more on experience than behaviour and cultural fit	2%	12%	34%	52%
Lack of recruitment ability of my company's in-house staff	2%	5%	41%	50%
Current recruitment agency/ies do not understand our needs	5%	8%	34%	55%

Important factors when selecting outsourced recruitment or HR consultancy

! Key finding:

Overwhelmingly, the most important factors were the ethics and reputation of the outsourced supplier

Other very important factors were the quality of previous services rendered, timeliness of service delivery and a strong commitment to relationship-based rather than transaction-based business.

Value for money is very important, especially in the Not-For-Profit sector where funding is always thinly stretched. However, lowest cost is not the driving factor. Instead quality and a “do it right, do it once” track record are the deciders.

Important factors when selecting outsourced recruitment or HR consultancy:	Strongly agree	Agree	Occasionally	Disagree
Recognisable market brand	4%	44%	37%	15%
Relationship with a particular consultant	35%	50%	15%	0%
Existing preferred supplier arrangement	15%	24%	38%	23%
The agency's ethics	58%	38%	4%	0%
The agency's reputation in the marketplace	43%	48%	9%	2%
What my colleagues have said about the agency	20%	48%	30%	2%
Cost - they are the cheapest	6%	30%	49%	15%
Timeliness of service delivery	40%	51%	9%	0%
Consultant's specific industry knowledge	45%	51%	4%	0%
Agency's geographic location	6%	38%	43%	13%
The agency can offer other services apart from recruitment	9%	21%	57%	13%
Quality of previous hires from existing agency	30%	51%	19%	0%
They know my company and its culture well	30%	51%	19%	0%
The agency's professionalism	47%	49%	2%	2%
Value for money	52%	44%	4%	0%

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Challenge Consulting Services which elicit most interest from NFPs



Key finding:

The strongest interest among respondents is in our Learning and Development Workshops

Half the respondents sought additional information in this offering. This is compatible with the heightened commitment most have indicated to training and development of staff as a major contributor to employee retention.

Challenge Consulting offers proven workshops in all aspects of:

- recruitment interviewing
- performance management
- effective supervision

– either in the form of:

- open workshops
- or specially tailored in-house presentations

Additionally, all our training can be purchased outright by our clients, and facilitated internally.

There is also strong interest in psychometric testing (both on-line and administered) either as a selection tool, or for purposes of career guidance and/or team building.

Traditional recruitment services – both permanent and temporary – as well as flexible fee for service options (such as candidate screening, and skills testing and training) also generated high levels of interest among respondents.

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Links to Challenge Consulting's Services

Learning & Development Workshops

http://www.challengeconsulting.com.au/services/prof_dev_learn/public.html#eff_perf

Psychometric Testing

http://www.challengeconsulting.com.au/services/psychometric_development/psychometric_test.html

Career Guidance

http://www.challengeconsulting.com.au/toolkit/career_guidance.html

Team Building

http://www.challengeconsulting.com.au/services/employee_development.html

Permanent Recruitment

http://www.chall.com.au/services/perm_rates.html

Temporary Recruitment

http://www.challengeconsulting.com.au/services/temp_services.html

Fee for Service Options

<http://www.chall.com.au/services/synergy.html>