



Survey of Human Resource Management in Nonprofit Organisations

Survey conducted by:

Windsor Recruitment

Level 4, 232 Adelaide Street

Brisbane Qld 4000

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Project Overview

This report presents the findings of the recent Survey of Human Resource Management in Nonprofit Organisations commissioned by Windsor Recruitment. Additionally, this report documents the findings from the 2008 survey, allowing changes to be tracked over time.

The survey represents the second stage of a benchmarking project which aims to capture vital information about a variety of issues impacting nonprofit organisations in Australia. In fact, the Survey of Human Resource Management in Nonprofit Organisations is the first of three surveys in a series of Nonprofit Surveys being conducted by Windsor Recruitment each year. The next survey will assess issues related to nonprofit employees and volunteers and drivers of performance. Each survey will be run annually to enable the tracking of nonprofit organisation issues and performance over time.

The major goals of the Survey of Human Resource Management in Nonprofit Organisations were to capture information relating to:

- The responsibilities of managers
- The types of activities and sectors engaged
- The employee size of nonprofit organisations
- Entitlements
- HR activities engaged
- Satisfaction

The Australian Centre for Philanthropy and Nonprofit Studies was engaged in development of the survey. Following the drafting of a survey, 10 CEOs from nonprofit organisations agreed to pilot the survey and provide feedback as to issues that the survey could additionally capture and ensure that existing questions were appropriate. Amendments were subsequently incorporated into an online survey. In total, 350 CEOs of nonprofit organisations were invited to participate in the survey. A total of 63 responses were received representing a response rate of just over 18%.

Results

The results are displayed in relation to each question assessed in the survey.

Current Title

The question in this section of the survey was: “*What is your current title?*” In 2008 and 2009, 38.5% and 30.2% of participants were titled as CEO or Chief Operations Officer, respectively. Other common titles included Senior Manager, Director/Board Member, General Manager and HR Manager.

Title Category	2008		2009	
	Frequency	Percent	Frequency	Percent
Administration	1	1.3	0	0.0
CEO, COO	30	38.5	19	30.2
Director/Board Member	6	7.7	9	14.3
Chairman	0	0.0	2	3.2
Senior Management	24	30.8	0	0.0
Executive Officer	2	2.6	5	7.9
General Manager	5	6.5	8	12.7
HR Management	5	6.5	7	11.1
Manager Corporate & Community Partnerships QLD/NT	2	2.6	0	0.0
Other executive	3	3.9	12	19.0

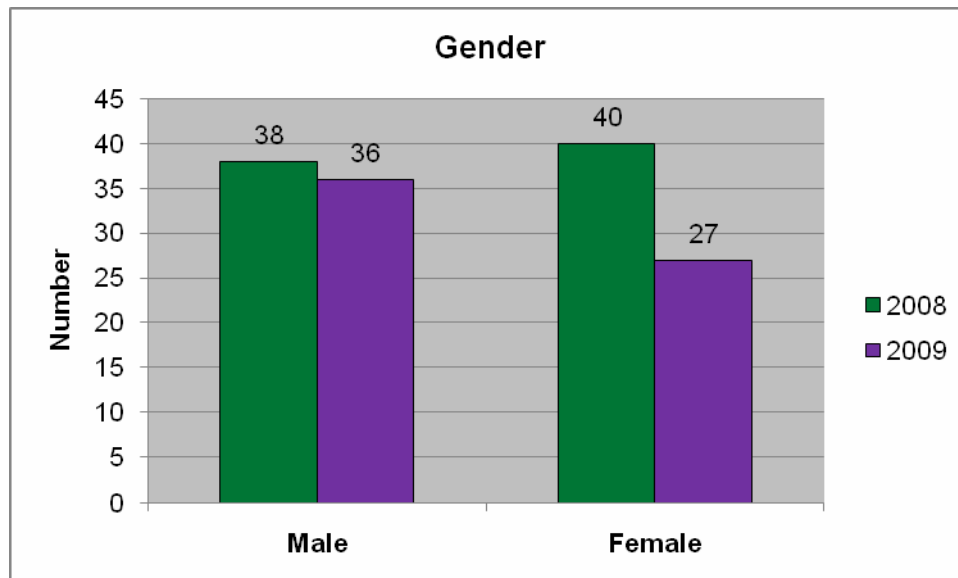
Status of Current Main Occupation

The question in this section of the survey was: “*What status is your current occupation? As per the Table below, in 2009, approximately 97% of participants reported that they were employed on a full time, permanent basis, which was greater than the 86% reported in 2008.*

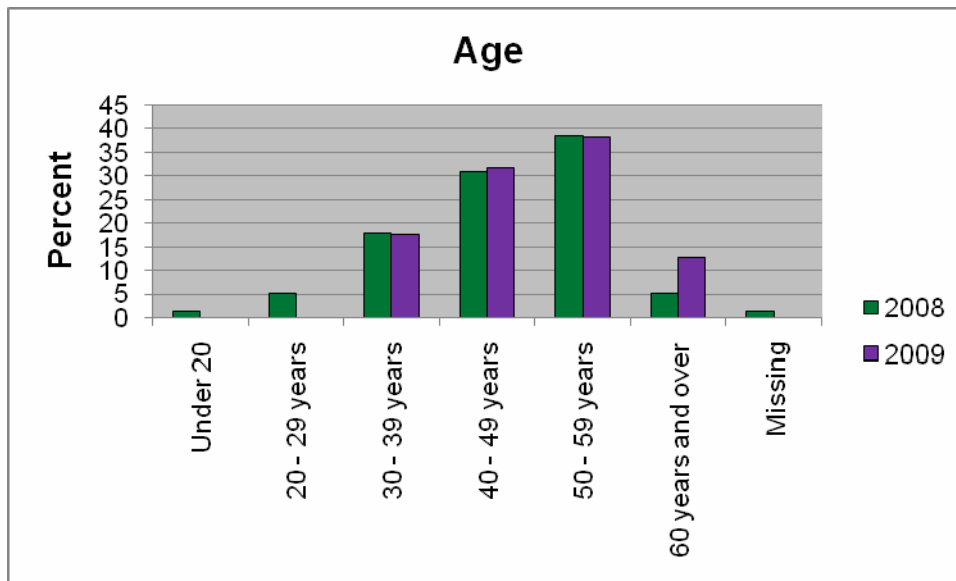
	2008		2009	
	Frequency	Percent	Frequency	Percent
Full-time salaried, permanent	67	85.9	61	96.8
Part-time salaried, permanent	2	2.6	1	1.6
Part-time salaried, temporary	1	1.3	1	1.6
Full-time salaried, temporary	5	6.4	0	0.0
Hourly contract employee	1	1.3	0	0.0
Volunteer	1	1.3	0	0.0

Gender and Age

In 2008, the sample was quite evenly split across gender. In 2009, the sample consisted of more males than females.

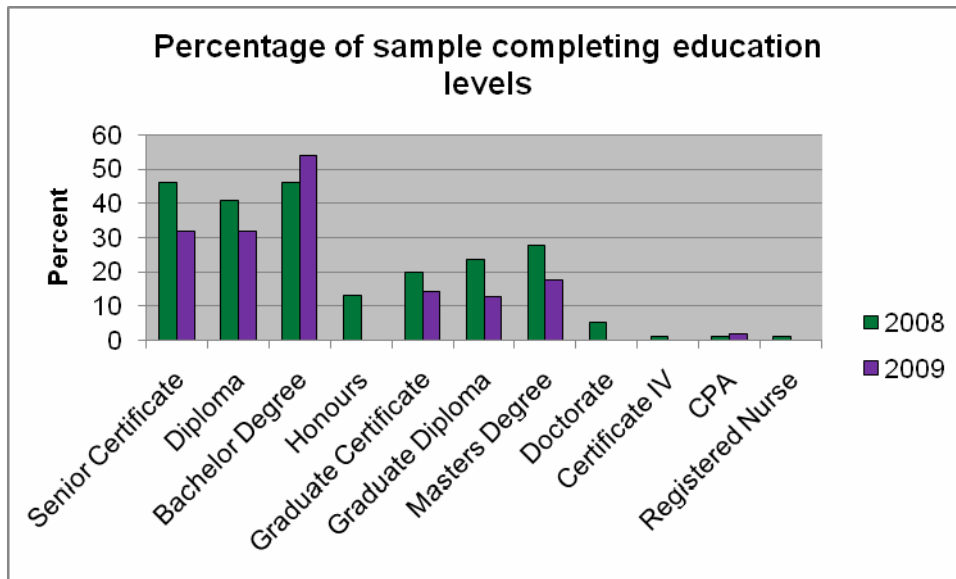


With respect to age, in 2008 and 2009, the majority of participants were between 40 and 59 years of age.



Level of Education

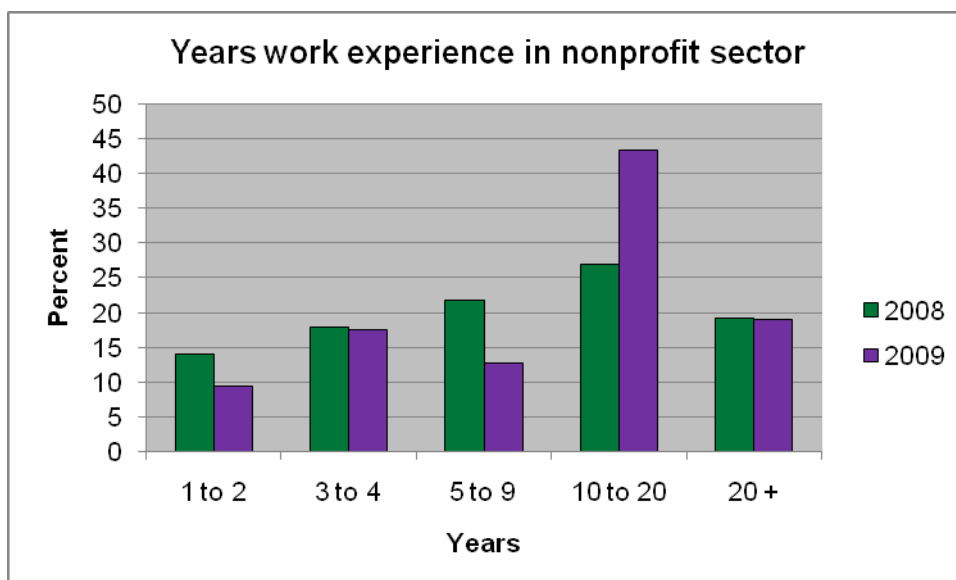
This question asked participants to indicate their level of education. In 2008, nearly half of the sample reported completion of Senior Certificate, Diploma, or a Bachelors degree. Approximately one quarter of the participants reported completion of a Masters degree or a Graduate Diploma, while nearly 20% reported the completion of a Graduate Certificate. In 2009, approximately 30% of participants reported completion of Senior Certificate or Diploma. Over half of the participants reported completion of a Bachelors degree. Approximately 15% of participants reported completion of a Graduate Certificate, Graduate Diploma or a Masters Degree.



Work Experience in the Nonprofit Sector and Current Position

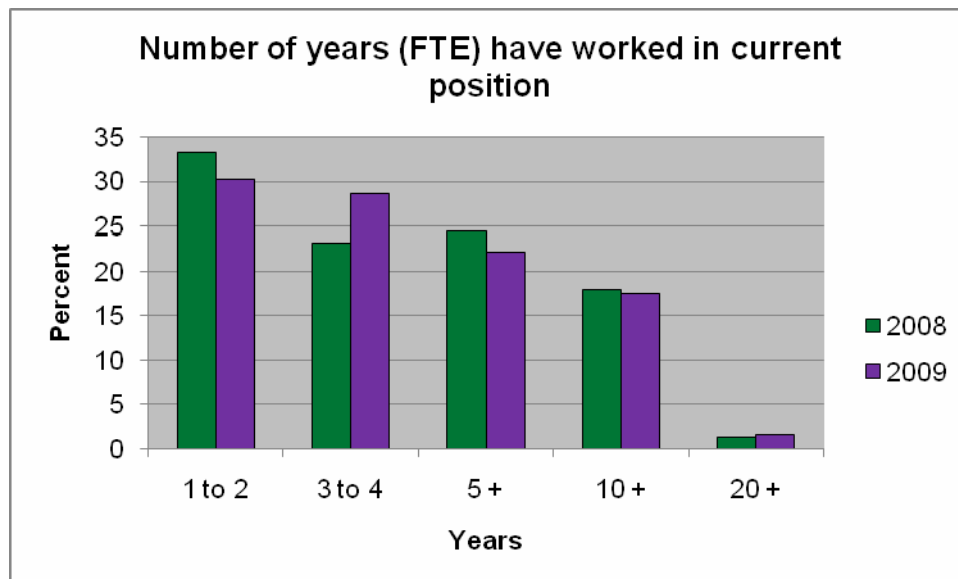
The question in this section of the survey was: “How many years of work experience do you have working in the Not for Profit sector?”

In 2008, approximately 46% of the participants surveyed reported that they have had 10 or more years of work experience in the nonprofit sector, while an additional 22% reported having had 5-9 years of work experience. In 2009, 62% of the participants reported 10 or more years of work experience in the nonprofit sector, while an additional 13% reporting 5-9 years of work experience in the sector.



A question asked “Please indicate the number of years of full-time equivalent you have worked in your current position?”

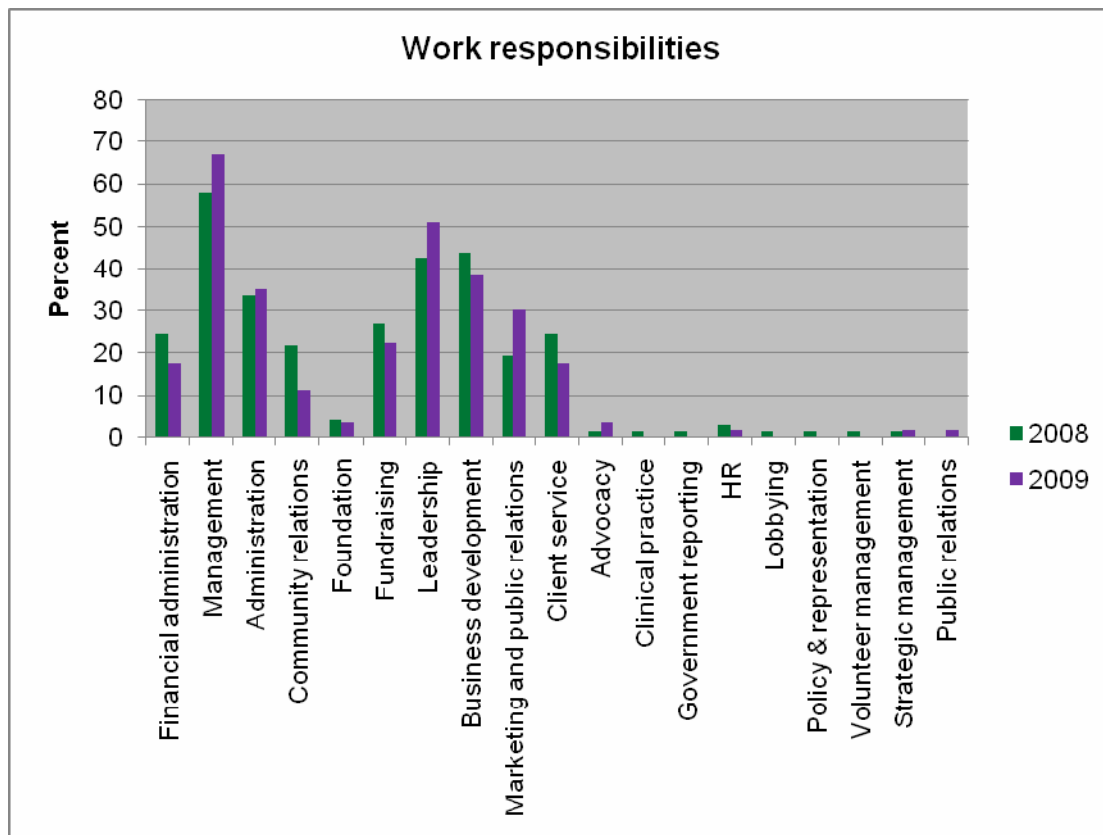
As per the graph below, in 2008, 33% of participants reported having worked 1-2 years of full-time equivalent in their current positions, with 23% and 24% reporting that they had worked 3-4 years and 5-10 years, respectively. In 2009, 31% of participants reported having worked 1-2 years of full-time equivalent in their current positions, with 29% and 23% reporting that they had worked 3-4 years and 5-10 years, respectively.



Work Responsibilities

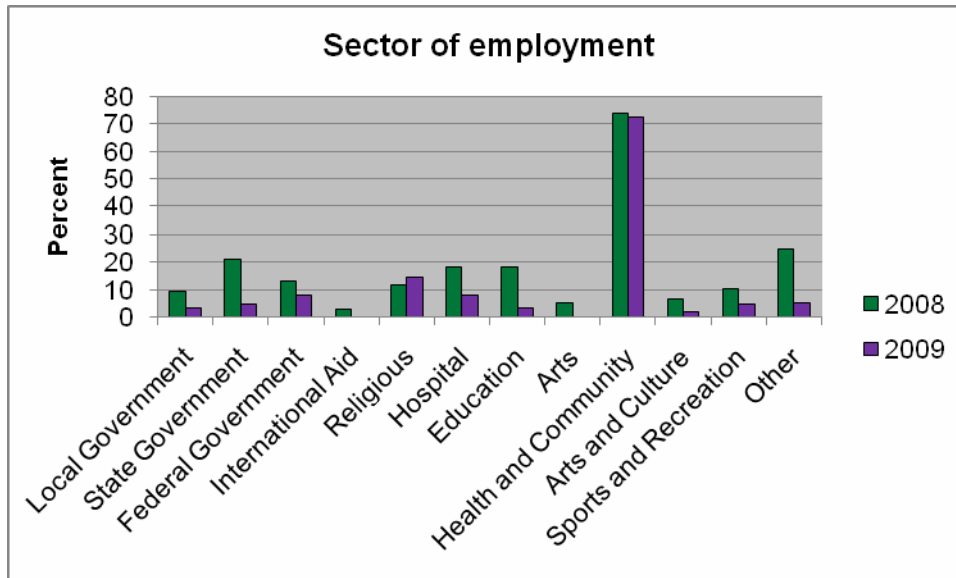
The question in this section of the survey was “Please indicate below the 3 work responsibilities you have that take the most time: financial administration, management, administration, community relations, foundation, fundraising, leadership, business development, marketing and public relations, client service, other?”

In both 2008 and 2009, more than half of the sample (58% and 67%, respectively) selected management as a time consuming work responsibility. Additionally, leadership (42% in 2008 and 51% in 2009) and business development (43% in 2008 and 38% in 2009) were also selected as time consuming activities.



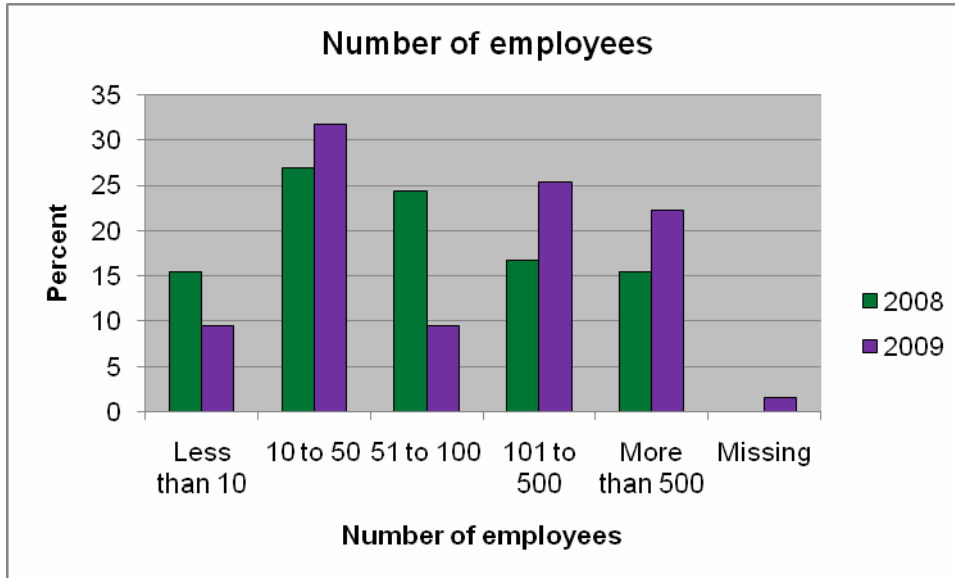
Sector of employment

The questionnaire asked respondents to indicate the sector in which their organisation was primarily involved with. Responses, represented in the graph below, indicate that in 2008 and 2009, the majority of participants (72%), reported that they were primarily engaged in the health and community sector.



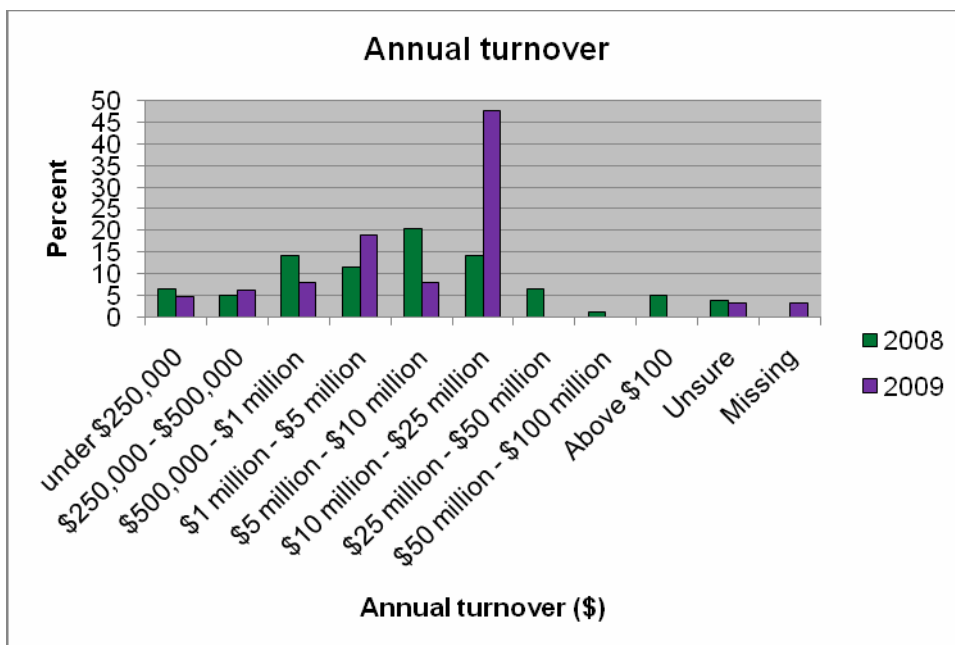
Employees employed by organisation

The questionnaire asked “*How many employees are employed by your organisation?*” As per the graph below, in 2008, approximately 27% of those surveyed reported having 10-50 employees in their organisation with an additional 25% reporting 51-100 employees. In 2009, approximately 32% of the participants reported 10-50 employees, 25% reporting 101-500 employees and 22% reporting more than 500 employees employed by their organisation. Overall, the sample in 2008 and 2009 was characterised by a reasonable representation of differently sized organisations in terms of employees.



Annual turnover of organisation

The question in this section of the survey was “*What is the annual turnover of your organisation?*” As per the graph below, in 2008, just over 20% of participants reported an annual turnover of \$5million - \$10million, with an equal percentage reporting an annual turnover of \$10million - \$25million. In 2009, nearly half the participants reported an annual turnover of between \$10 million - \$25 million.



Career progression

The questionnaire asked respondents to indicate the status of their career progression in the last 12 months. While the majority of participants reported that they had remained in their current position in this time (85% in 2008 and 73% in 2009), 8% of participants in the 2008 sample and 14% of participants in the 2009 sample reported that they had received a promotion in their current workplace. A further 7% in 2008, and 8% in 2009, reported that they had commenced a higher level job in another organisation.

Career in past 12 months	2008		2009	
	Number	Percent	Number	Percent
Have stayed in the same job	66	84.6	46	73.0
Have received a promotion in my current workplace	6	7.7	9	14.3
Have commenced a higher level job in another organisation	5	6.4	5	7.9
Taken a job at a similar level in the same organisation	0	0.0	1	1.6
Taken an acting role as well as doing the same job in my organisation	0	0.0	1	1.6
Have elected to take a job at a lower level in my organisation	3	3.8	0	0.0
Have elected to take a job at a lower level in another organisation	3	3.8	0	0.0
Extended to manage several organisations	1	1.3	0	0.0
Relocated from overseas	1	1.3	0	0.0

The survey revealed that fewer participants reported changing employers in 2009 compared to 2008 (a drop from 12 [15.4%] participants to 5 [7.9%]) in the previous 12 months. Overall, the participants that changed organisations in the past 12 months in 2009 reported an average 'before move' salary of \$88,200 (range \$38,000 to \$135,000) and an average 'after move' salary of \$95,400 (range \$55,000 to \$142,000), which was higher than the average 'before move' salary of \$75,222.22 (range \$43,000 to \$125,000) and an average 'after move' salary of \$73,228.89 (range \$43,000 to \$120,000) reported in 2008.

Hours of employment, including overtime

Several questions were asked relating to hours worked. In 2008 and 2009, the majority of the participants (87% and 92%, respectively) reported working between 35 and 40 hours per week. With respect to hours of paid overtime, only 5% of the sample reported receiving any form of paid overtime. In 2009, 62% of participants reported working between 2 and 10 hours of unpaid overtime, and 29% reported working between 12 and 18 hours per week of unpaid overtime. This result demonstrates the presence of large volume positions within the sector.

The questionnaire also asked participants to indicate how they were compensated for overtime worked. In both 2008 and 2009, 51% reported that no compensation was received for overtime. A further 42% and 35%, respectively, reported that they were able to take time off in lieu of paid overtime.

Benefits provided by employer

The questions in this section of the questionnaire asked:

“Which of the following benefits does your employer provide (tick all that apply): On-site childcare, Off-site childcare, Child care via salary sacrifice, Job sharing, Telecommuting, Parental Leave, Development/Training courses, Flexitime, Car, Mobile phone, Portable computer/laptop, Home office Equipment, Other?”

As per the table below, in 2008 and 2009, approximately 68% and 80% of participants reported that their employer provided mobile phone benefits, respectively. For 2008 and 2009, 56% and 64% reported employer provided development/training courses, respectively. For both years, approximately 58% of participants reported that their employer provided portable computer/laptop benefits.

Benefit	2008		2009	
	Number	Percent	Number	Percent
On-site childcare	3	3.8	1	1.6
Off-site childcare	2	2.6	0	0.0
Child care via salary sacrifice	8	10.3	5	8.0
Job sharing	10	12.8	9	14.3
Telecommuting	16	20.5	12	19.0
Parental leave	29	37.2	21	33.3
Development/Training courses	44	56.4	40	63.5
Flexitime	34	43.6	18	28.6
Car	38	48.7	31	49.2
Mobile phone	53	67.9	50	79.4
Portable computer / laptop	45	57.7	37	58.7
Home office equipment	13	16.7	6	9.5
Car park	1	1.3	0	0.0
Salary packaging, working from home	2	2.6	0	0.0
Gym access	0	0.0	1	1.6
Support services for people with a disability	0	0.0	1	1.6

Source for obtaining current position

We were interested in the source from which participants learnt about and subsequently acquired their current position. In 2008, approximately 30% of participants reported that they obtained their current position from an advertising source, while approximately 28 and 26% obtained theirs through a recruitment agency and through a current employer, respectively. In 2009, approximately 38% of participants reported that they obtained their current position through their previous employer, while 24% and 22% obtained their positions from an advertising source or through a recruitment agency, respectively.

Source	2008		2008	
	Number	Percent	Number	Percent
Current employer	20	25.6	24	38.0
Previous contract	6	7.7	2	3.2
Advertising	23	29.5	15	23.8
Recruitment Agency	22	28.2	14	22.2
Associate / Referral	15	19.2	9	14.3

Annual Salary, and Allowances

A series of questions assessed the annual salary and value of allowances received by the nonprofit management sample. As can be seen from the table below, the average salary in 2008 was \$82,695 which was lower than the salary average in 2009 of \$102,668. Other benefits included car allowance and FBT exemptions.

Salary/ Allowance	2008			
	Respondents	Minimum	Maximum	Average
Annual base salary excluding allowances and performance pay	64	\$42 000	\$185,000	\$82,695
Base salary twelve months ago	51	\$80 000	\$432,000	\$88,299
Car allowance	11	\$2,400	\$15,000	\$10,368
Entertainment allowance	7	\$500	\$6,000	\$3,986
Annual leave loading (%)	27	1%	18%	16.28%
Overtime paid	2	\$3600	\$10,000	\$5,018
FBT exempt	\$24	\$500	\$30,000	\$13,958

	2009			
Salary/ Allowance	Respondents	Minimum	Maximum	Average
Annual base salary excluding allowances and performance pay	57	\$41, 000	\$230,000	\$102,668
Base salary twelve months ago	42	\$40,000	\$212,000	\$102,530
Car allowance	12	\$4000	\$21,000	\$10,742
Entertainment allowance	4	\$500	\$7,000	\$4425
Annual leave loading (%)	29	1.1%	19.5%	15.99%
Overtime paid	0	0	0	0
FBT exempt	15	\$500	\$30,000	\$17,437

Salary Sacrifice Arrangement

In 2008 and 2009, a comparable proportion of participants (90% and 87%, respectively) reported access to remuneration packaging using a salary sacrifice arrangements.

Employer Provided Vehicle

Participants were asked if they had access to an employer provided vehicle. In 2008, 42% reported have access to an employer provided vehicle with 37% reporting their access as 'full private use'. In 2009, 49% of participants reported access to an employer provided vehicle, with 86% reporting access as 'full private use'. The table below displays descriptive statistics and values related to employer provided vehicles.

	2008			
Values related to employer provided vehicles	Respondents	Minimum	Maximum	Mean
Original cost of vehicle provided	24	\$5,500	\$70,000	\$34,970
Total kilometres travelled by vehicle per annum	28	12,000kms	45,000kms	25,910kms
After-tax contribution to vehicle costs (not salary sacrifice)	5	\$1,400	\$5,600	\$3,114
Annual sacrifice amount	12	\$2,583	\$12,000	\$6,855
Value of other items you receive as part of your salary package	22	\$500	\$20,000	\$5,901

Values related to employer provided vehicles	2009			
	Respondents	Minimum	Maximum	Mean \$
Original cost of vehicle provided	27	\$12,000	\$60,000	\$32,237
Total kilometres travelled by vehicle per annum	31	5000kms	25,000kms	31,468kms
After-tax contribution to vehicle costs (not salary sacrifice)	8	\$150	\$5,600	\$2589
Annual sacrifice amount	10	\$3,500	\$18,000	\$8,400
Value of other items you receive as part of your salary package	14	\$100	\$30,000	\$10,967

Employer funded superannuation

Questions relating to employer funded superannuation revealed that 89% of participants in 2008 and 74% of participants in 2009 were covered by an employer funded superannuation scheme. Employer funded superannuation is compulsory in Australia. Whilst 11% and 22% of the sample did not respond to this question in 2008 and 2009, respectively, this does not necessarily indicate that superannuation is not being paid. Of the participants that reported that they were covered by an employer funded superannuation scheme, 50% in 2008, and 36% in 2009, reported that their scheme was non-contributory.

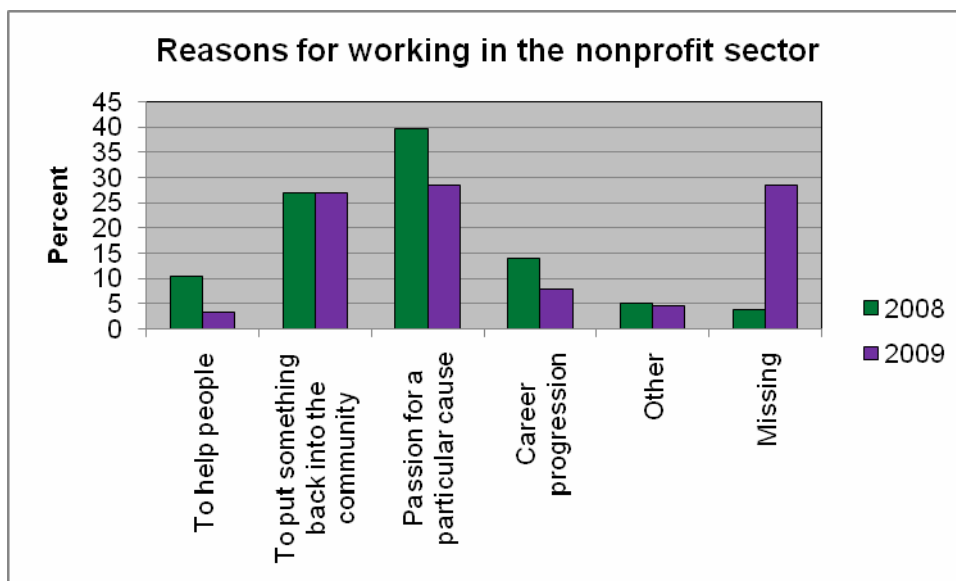
“What percentage of salary do you contribute?”

In 2008, 19 participants reported contributing between 3% and 33% of their salary to superannuation, with an average of 11.37%. In 2009, 17 participants reported contributing between 1% and 40% of their salary to superannuation, with an average of 10.3%. In both years, 24% of participants reported that their contributions were made via a salary sacrifice arrangement.

Primary reason for working in nonprofit sector

The question in this section of the survey was: *“What is your primary reason for working in nonprofit sector?”*

Overall, passion for a particular cause (nominated by 40% of participants in 2008, and 29% of participants in 2009), and to put something back into the community (nominated by 27% of participants in 2008 and 2009) were the most common reasons for working in the nonprofit sector.



Did you leave a nonprofit organisation in the last twelve months?

In 2008, 7 participants left a nonprofit organisation in the past 12 months. In 2009, this number dropped to 2.

Primary reason for leaving previous employment

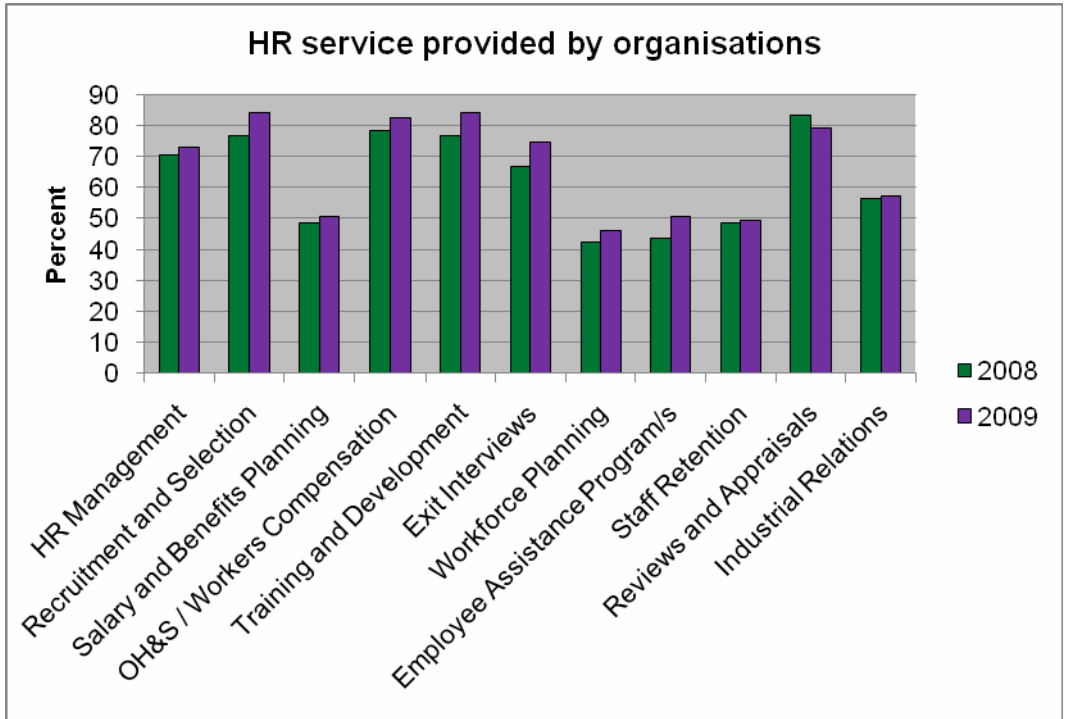
The question in this section of the survey asked: “*What was the primary reason for leaving your previous employment?*”

In response to this question, participants in the 2008 sample identified advancement or family relocation as the primary reason for leaving a nonprofit organisation. In 2009, the need for change and being underpaid were nominated as reasons for leaving a nonprofit organisation.

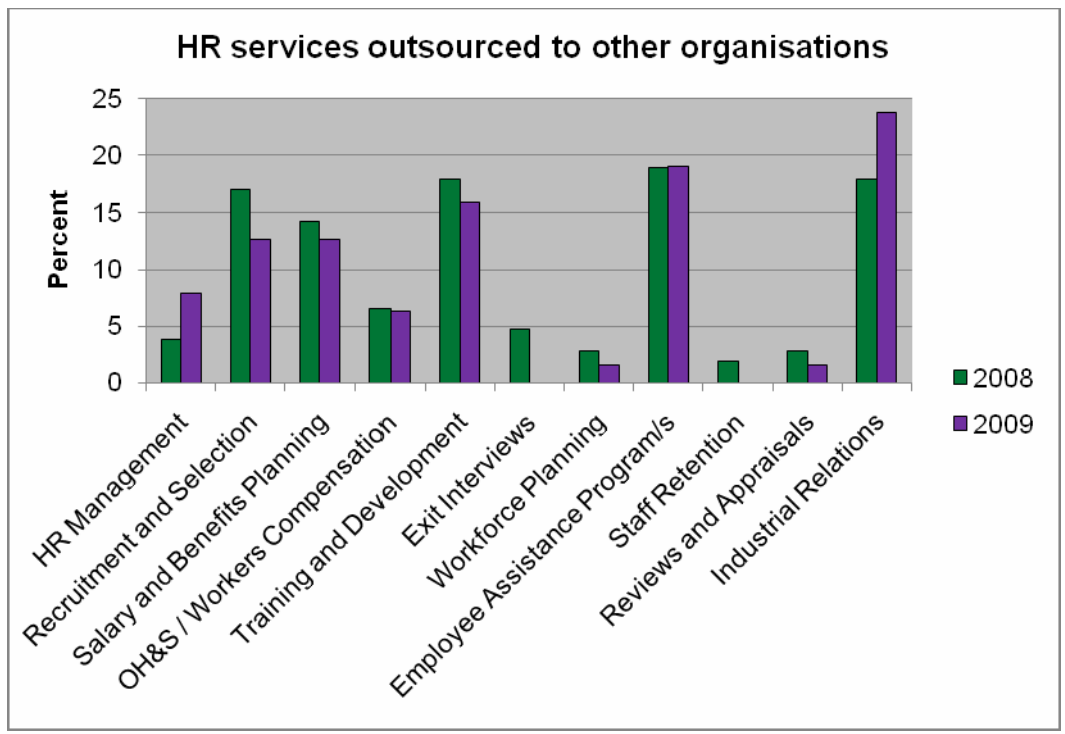
Organisational HR Services

A number of questions were asked related to the HR department services. The results revealed that in 2008, 45% of participants reported that their organisation had a dedicated HR function, while only 3% reported that their organisation had a dedicated HR department in 2009.

With respect to HR services provided by organisations, in 2008 and 2009, approximately 80% of participants reported that their organisation provided reviews and appraisals, while over 75% of participants reported receiving recruitment and selection services, OH&S/Workers compensation services and training and development services. In 2009, 75% of participants reported that their organisation provides exit interviews.



The survey also asked about the types of HR services outsourced to other organisations. As per the graph below, industrial relations services were outsourced by 18% of organisations in 2008, and by 24% of organisations in 2009. Furthermore, 19% of participants reported that their organisation outsourced employee assistance program/s in 2008 and 2009, with approximately 16% outsourcing training and development services.



Challenges affecting the industry of organisation

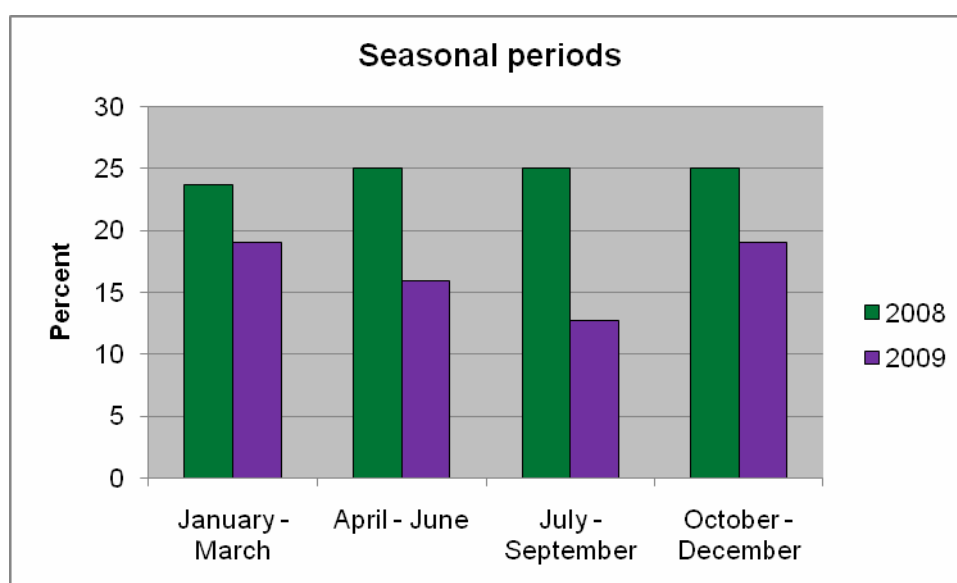
The question in this section of the questionnaire asked respondents to indicate the top three challenges affecting the industry in which their organisation existed. As per the table below, in 2008, approximately 65% of participants reported fundraising as one of the top challenges affecting their industry, with approximately 55% and 53% reporting managing costs of staff and attracting staff/volunteers, respectively, as other top challenges. In 2009, 70% of participants reported managing staff and volunteers as a challenge affecting their industry, with 57% and 55% of participants nominating fundraising and compliance with legislation and regulators, respectively, as important challenges in their industry.

Challenge	2008		2009	
	Number	Percent	Number	Percent
Fundraising	51	65.4	36	57.1
Attracting staff / volunteers	41	52.6	25	39.7
Retaining and motivating staff / volunteers	34	43.6	29	46.0
Managing staff / volunteers	21	26.9	44	69.8
Compliance with legislation / regulations	34	43.6	35	55.6
Managing costs of staff	43	55.1	32	50.8

Seasonal or peak periods of organisational workload

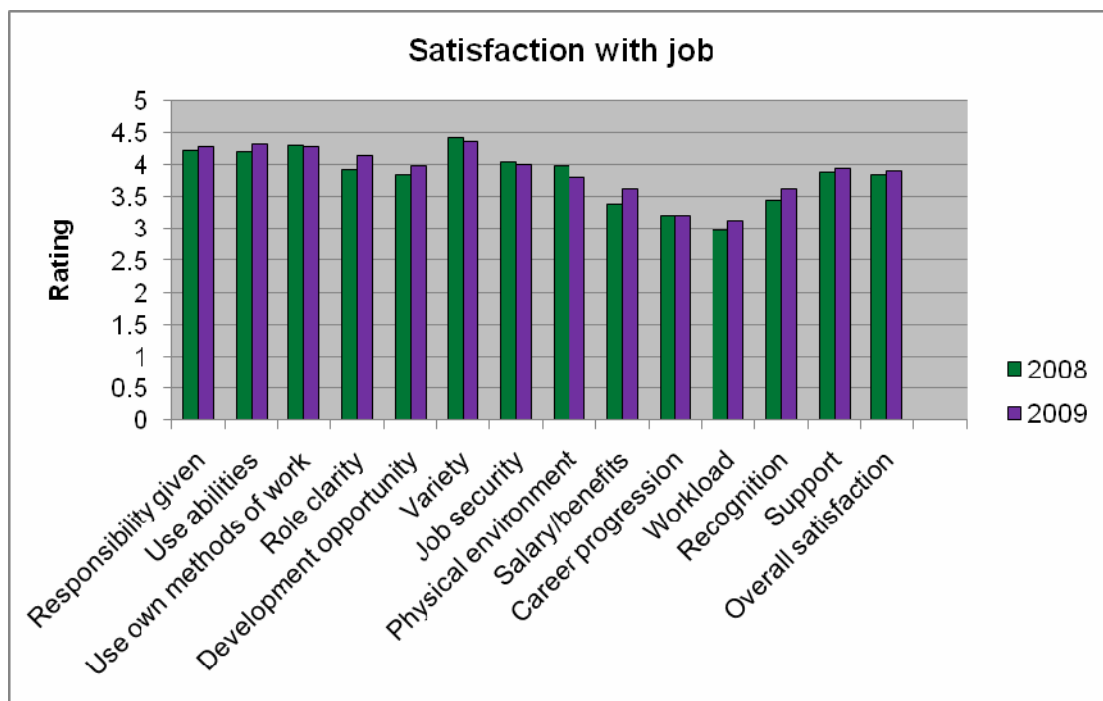
The question in this section of the survey was: *“If the workload of your organisation is seasonal or has peak periods when are they?”*

Overall, for 2008, the sample was quite evenly split across each time period, while in 2009, the results suggest an increased workload between October - March. Unfortunately, a number of participants did not answer this question.



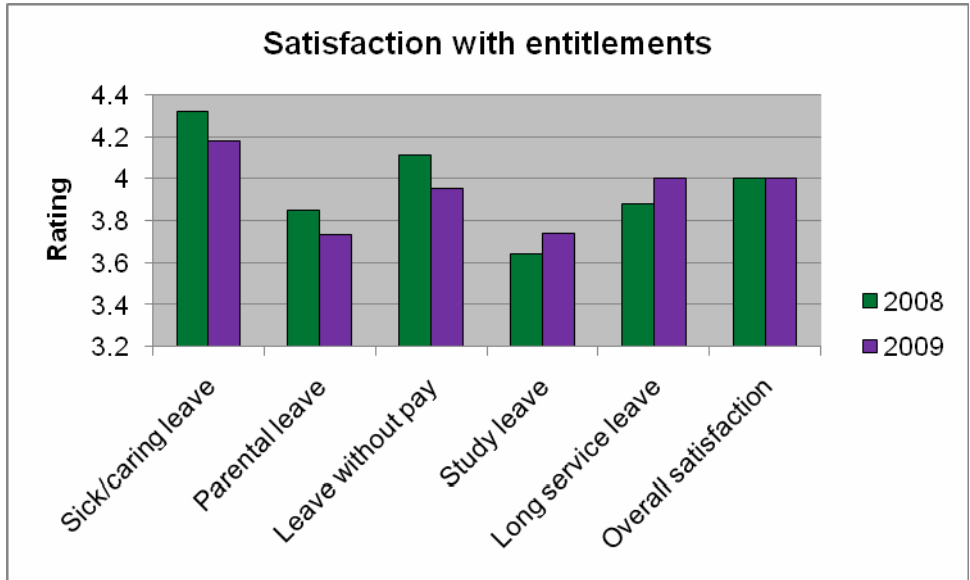
Satisfaction in present job

The questionnaire assessed the extent that the participant managers of nonprofit organisations were satisfied with various aspects of their role. Overall, in 2008 and 2009, respondents were most satisfied with their level of variety and responsibility, their ability to use their skills, and their ability to choose the method with which they do their work. Participants were also highly satisfied with their levels of job security and the physical environment in which they worked. Overall, least satisfaction was attributed to levels of workload, followed by career progression.



Satisfaction with entitlements related to conditions of work

The questionnaire also assessed the extent that participant nonprofit managers were satisfied with the entitlements related to their positions. As can be seen from the graph below, satisfaction levels were high overall in 2008 and 2009. Highest satisfaction was attributed to sick/carers leave provisions followed by leave without pay. Lowest satisfaction was attributed to study leave provisions.



Summary of Results

The survey represents the second stage of a benchmarking project which aims to capture vital information about a variety of issues impacting nonprofit organisations and their managers in Australia.

The major goals of the survey were to capture information relating to:

- The responsibilities of managers
- The types of activities and sectors engaged
- The employee size of nonprofit organisations
- Entitlements
- HR activities engaged
- Satisfaction

A total of 63 responses were received in response to the invitation to participate in the survey.

Overall in 2009, the respondents to the survey were primarily full time CEOs of nonprofit organisations operating either solely or primarily in the health and community sectors. The survey revealed that the responding sample consisted primarily of males. The average age range was between 40 and 59. Approximately half of the respondents held a bachelors degree. Additionally, more than half the respondents had worked in the sector for 10 or more years. The respondents nominated management, leadership and business development as the most time consuming work responsibilities.

The types of organisations participants were from ranged in size with more than half the sample from organisations employing between 10 and 500 people. The majority of organisations reported an annual turnover of between \$10 million and \$25 million.

With respect to careers, the overwhelming majority of the sample had remained in the current position in the year leading up to the survey, with nearly 8% reporting that they had received a promotion in that time. Only 15% reported changing employers. Of those changing employers, the average salary they changed to was higher than their previous salary.

Whilst the majority of the sample officially worked a 35 to 40 hour week, 62% reported working 10 to 20 hours unpaid overtime. Of those reporting unpaid overtime, half were not compensated and just over 35% were compensated with time off in lieu. Overall, there was a wide range of benefits available to nonprofit managers including development courses, laptops, and mobile phones. The average base salary was \$102,668 pa which was higher than the average base salary in 2008.

Primary reasons respondents reported for working in the sector were a passion for a cause and to put something back into the community. Those who left a

nonprofit organisation in the year prior to the survey reported that their primary reason for leaving were to seek advancement in their career or other family issues. The major challenges identified by participants included managing staff and volunteers, fundraising and compliance with legislation and regulators.

Whilst a broad range of HR services were reported to be provided in-house the survey revealed that almost a quarter of organisations in the survey outsourced industrial relations issues, employee assistance programs, and training and development.

Overall, nonprofit managers reported quite high levels of satisfaction with their job and their entitlements. Least satisfaction was associated with the workload level, salary/benefits, career progression, recognition, and study leave provisions. These areas represent further challenges for organisations in the nonprofit sector to address.