

# Change Work

## Valuing Decent Work in the Not-for-Profit Sector

### SUMMARY

By Lisa Lalande, Jamie Van Ymeren & Alexa Greig

# Decent work can be a useful tool to create stable, equitable employment in the not-for-profit sector – and if it can be done here, there is the potential for it to be adopted in other sectors.

Job precarity is a reality for many not-for-profit (NFP) sector employees. About 28 per cent of people employed by Ontario non-profits work part-time, 6 per cent work full-time but on time-limited contract, and another 13 per cent are employed part-time and on contract. Evidence suggests that job insecurity, lack of access to benefits and retirement income, and underinvestment in training and development are ongoing issues in the sector – employees feel passionate about their mission, but many suffer from poor work-life balance.

However, the sector itself – often associated with passionate advocacy dedicated to protecting and advancing the interests of vulnerable people – can play a leading role in providing jobs that work better for people.

**Decent work** is a lens for conceptualizing the possibilities presented by fair, equitable, and stable work. It offers an opportunity to ensure that the passionate objectives of the sector are supported by strong labour practices and a policy environment that enables these practices.

In simple terms, decent work is a range of workplace elements, conditions, and characteristics that together make good working conditions. The International Labour Organization (ILO) defines decent work as work that delivers a fair income and social protections, security and equality of opportunity in the workplace, and prospects for personal development and social integration.

There is currently no formal set of elements and quantitative indicators for decent work at the sector level – the ILO has focused its work on developing and measuring legal and statistical indicators for decent work at the country level.

Based on our research and the ILO's national elements, Mowat's Fall 2015 report *Change Work* identified a non-exhaustive list of seven elements for discussion in the NFP sector.

*A commitment from the NFP sector to improve working conditions will not only create stable and secure employment: it will make NFP organizations as a whole more resilient, healthy and effective.*

# What exactly does decent work look like?

## Employment Opportunities

Refers to the growth rate of the NFP sector, the number of sector employees, the quality of sector jobs, the demand for talent, and its ability to attract and retain workers with diverse backgrounds and skillsets. Could also include the role played by volunteers in the sector.

## Fair Income

Refers to salaries, but also the social protections that ensure income security. Being paid for holiday, parental and sick leave, and having steady work hours that allow for predictable and reliable income. Promoting and adopting living wage policies, or other standards that promote income fairness within and between workplaces (e.g. Wagemark).

## Stable Employment

Thinking about policies and mechanisms that can support sectors characterized by high turnover, seasonal or unpredictable work. Predictable hours of work and scheduling practices that allow for employees to maintain balance between family, work, and personal time.

## Health and Retirement Benefits

Benefits are a key driver of dignity in the workplace and essential to making the NFP sector a choice employer. Support for benefits in organizations could mean ensuring equal access to benefits for all employees, including part-time and contract workers.

## Opportunities for Development and Advancement

Employees are able to participate in formal training, to create and take advantage of professional learning opportunities, and to advance professionally in the workplace and beyond. Adopting a workplace culture focused on staff learning and development.

## Equal Rights at Work

Ability for all employees to express their concerns, participate equally, and feel included and safe in the workplace. Employment standards, established codes of conduct, proactive policies for diversity and inclusion, worker safety standards, and a workplace in which employees understand they have the right to speak up about safety concerns.

## Culture and Leadership

Effective leadership and adaptive work culture – this includes regulations, standards, and leadership norms that govern workplaces. Having skilled leaders and managers who place value on employees and work to create the conditions that will support them in achieving more at work while balancing family and personal life.

# How is the NFP sector doing? decent work in practice

## 1 Employment Opportunities

The NFP sector is a significant employer in Ontario. It consists of more than 55,000 organizations employing approximately 600,000 full-time workers, 400,000 part-time workers and engaging millions of volunteers each year. But size is an important consideration to take into account when thinking about how the sector can champion decent work. The size of an organization will undoubtedly influence the strategies that organizations pursues.

Most NFPs are small employers. Many have no paid employees at all. The 2003 NSNVO survey found that 54 per cent of NFPs in Canada are run entirely by volunteers. Large employers (over 100 employees) make up only 3.1 per cent of organizations in the sector, yet are responsible for 53 per cent of the sector’s employees.

## 2 Fair Income

When asked what decent work means to them, focus group participants identified having a fair wage as an important element of decent work. Participants often noted that this meant at least a living wage. Findings from the focus groups also highlighted the need to understand compensation in the sector, both within specific sub-sectors, but also how it compares to other industries. It is unclear to what extent organizations are offering employees a fair income and what “fair” means in the NFP context. One of the challenges is a lack of official information regarding wages and salaries in the sector. The 2013 Canadian Nonprofit Sector Salary and Benefits Study by Charity Village provides some insight into NFP compensation (based on self-reported data). Overall, compensation is growing slowly, and varies significantly by organization and community size. But there is very little comprehensive information on what NFP workers are actually being paid. There is a significant need for better labour market information to better understand how to advance decent work in the sector.

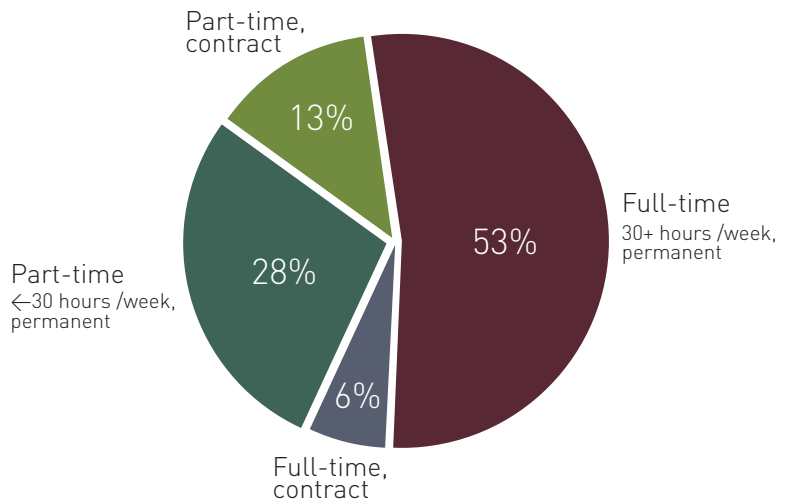
**FIGURE 1**  
Distribution of employers and employees by number of employees (NSNVO 2003)

NUMBER OF EMPLOYEES	EMPLOYERS (%)	EMPLOYEES	
		%	N
1 - 4 employees	57.5	6.9	81,870
5 - 9 employees	17	6.3	75,266
10 - 24 employees	14.2	11.9	141,099
25 - 99 employees	8.3	21.5	254,349
100+ employees	3.1	53.4	633,177
All	100	100	1,185,762

**FIGURE 2**  
Employment Status

### 3 Stable Employment

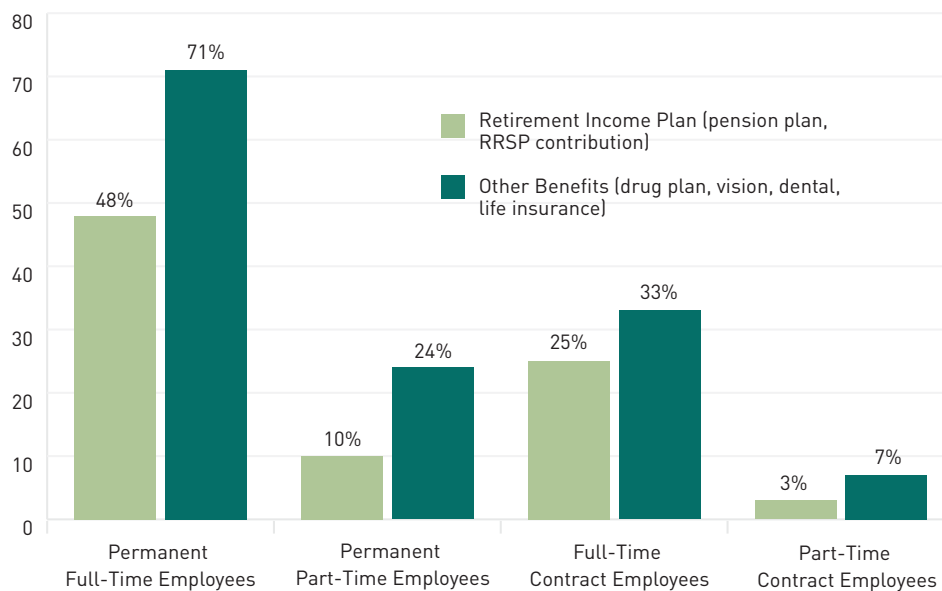
Decent work involves thinking about the relative stability of a worker’s employment. Based on the Shaping the Future findings, for organizations with at least one paid employee, approximately 53 per cent of employees are in full-time, permanent positions. However, there is also a large contingent of part-time and contract workers. Focus group participants noted that part-time positions often lack benefits and were concerned about their growing prevalence. For contract workers, it was recognized that roles are often tied to project funding but focus group participants felt that they should be provided with a greater sense of job security, even if this only meant matching contract length to the full-grant term.



### 4 Health and Retirement Benefits

The absence of benefits (drug, vision, dental, pension, or life insurance) may be a barrier to decent work in the NFP sector, especially for the sector’s large contingent of part-time permanent workers. Overall, workers are more likely to receive medical benefits than retirement plans. Unionized employees are more likely to receive health and retirement benefits than non-unionized employees.

**FIGURE 3**  
Employee access to retirement income plans and other benefits



Access to health and retirement benefits was an element of decent work raised by all focus groups. In particular, some participants noted the need to ensure that all workers, regardless of employment status, had access to these supports.

## 5 Opportunities for Development and Advancement

NFPs are not spending, or don't have the resources to spend sufficiently on training and professional development (2011 HR Council):

- 90 % of NFPs have participated in some form of professional development and training, but those were likely to be low cost and informal
- It is unclear whether these forms of training are effective and meaningful
- Need for new approaches for training and leadership

## 6 Equal Rights at Work

Many organizations have adopted anti-oppression and anti-harassment policies; however, precarity in employment may discourage employees from using them. Frontline workers report stress and safety concerns due to lack of training on how to de-escalate violent and threatening behaviour. Safety and the need for better education emerged as a theme from the focus groups. Finally, the toll on mental health is often ignored. Better mental health data is needed as well as a need for conversation on sources of stress and burnout in NFP sector.

## 7 Culture and Leadership

Passion is a strength of the NFP sector, but it can be harmed by poor working conditions and lack of engagement opportunities. NFP workers, especially in service delivery, report doing extra work – often above and beyond their positions - so that clients are not impacted by lack of resources. This has implications for work-life balance and stress. A need for people-focused leadership was identified – managers who can empower and support employees. Board members have an important role to play here in the hiring process, but also by establishing guiding principles and policies for a supportive work environment.

The NFP sector can be a major catalyst for a conversation about decent work and what it could mean for Canada, Ontario, its communities and the NFP sector itself. However, this must be done with a full understanding of the challenges and constraints it faces.

# The challenge - decent work costs money

The reality is that investments in people, processes, and technology cost money – and NFPs are operating in a resource-scare environment.

*The profile of donors in Canada is changing.* Canadians are aging and younger donors may not be replacing older donors fast enough. Perhaps as a result, more and more organizations are relying on mixed revenue streams typically consisting of government funding, earned income, and donations.

*There are new funding, governance, and accountability models.* There are fewer multi-year unrestricted (spend-as-needed) funding opportunities for NFPs as funding in the sector becomes increasingly project-based and restricted. There is also an increased focus on measuring impact resulting in rising costs to organizations and pressures to demonstrate efficiency and outcomes. This forces organizations to continually cut and rework their budgets – with investments in decent work practices, such as professional development for example, getting treated as discretionary line items.

*There is mounting pressure to keep overhead costs low.* It has become popular to benchmark organizational effectiveness based on administrative ratios (i.e. directing as much revenue as possible to program delivery). This ignores the fact that NFPs vary greatly by size, geography, and sub-sector and that maintaining low overhead costs can inhibit investments that would produce long-term growth, efficiencies, and innovation.

*In a resource scare environment, culture and leadership are key.* There exists an altruistic management style in the sector that champions a selfless desire to prioritize community service over personal benefit, which can lead to employees being encouraged to forgo salary increases, professional development, and stable employment. Pressure to make personal sacrifices can come from the culture of work and/or from within employees and executive leaders themselves. Passion as a motivation can result in an over-emphasis on dedicating resource allocation to delivery over needs of employees.

## The opportunity

The power of decent work in the NFP sector lies in the way it explicitly links the goals of social protection and inclusion to employment and economic growth. It is only through collaborative efforts that the sector will be able to significantly reform work - in NFPs and beyond. This is a chance for the sector to build its capacity and impact – and to lead with purpose.

But systemic change is complicated and cannot happen overnight. Despite persisting barriers, what can NFP organizations - do to “Change Work”? Advancing decent work will involve:

- Championing policy changes that make work better for all, including a stronger social safety net (e.g. pharmacare and child care) and better employee protections (e.g. Employment Insurance, protections for part-time and contract workers).
- Cooperating and collaborating both across the NFP sector and with governments to support initiatives impacting the ability of NFPs to offer decent work, including changing outdated regulatory structures that govern the sector and improving NFP labour market data.

- Building partnerships between NFPs that can achieve things organizations cannot do alone, such as offering joint training and development opportunities, pooling resources to improve employee supports, and engaging in a sector-wide conversation about compensation practices that promote transparency, fairness, and equity.
- Finally, individual organizations have a crucial role to play in promoting decent work in their organizations and communities. There are choices that any organization can make to improve working conditions for employees. Some of these choices will require financial resources, others require time. There has been much research done in this area and there are many resources and recommendations that have been made to support this type of work. Involving managers and employees in discussions about what is valuable to them can help organizations take the first steps in championing decent work.

Specific recommendations or ideas for discussion can be found in the Change Work report. Though not meant to be comprehensive, the ideas are meant to be a starting point for discussion about the kinds of decent work practices and policies that NFP organizations can pursue as individual workplaces, in local networks, together as a sector, and in concert with other stakeholders to generate decent work in our society.



**Mowat  
NFP**

Mowat NFP undertakes collaborative applied policy research on the not-for-profit sector. As part of an independent think tank with strong partnerships with government and the sector, Mowat NFP brings a balanced perspective to examine the challenges facing today's sector and to support its future direction. Mowat NFP works in partnership with the Ontario Nonprofit Network (ONN) to ensure our research and policy recommendations are timely and relevant to the sector and reflect its values.

**Mowat  
Centre**  
ONTARIO'S VOICE ON  
PUBLIC POLICY

The Mowat Centre is an independent public policy think tank located at the School of Public Policy & Governance at the University of Toronto. The Mowat Centre is Ontario's non-partisan, evidence-based voice on public policy. It undertakes collaborative applied policy research, proposes innovative research-driven recommendations, and engages in public dialogue on Canada's most important national issues.

416.978.7858  
INFO@MOWATCENTRE.CA  
MOWATCENTRE.CA

🐦 @MOWATCENTRE

439 UNIVERSITY AVENUE, SUITE 2200,  
TORONTO, ON M5S 2T9 CANADA

 School of Public Policy & Governance  
UNIVERSITY OF TORONTO