

TALENT MARKET

Does Your Nonprofit Need an *Attitude* Adjustment?

by Ruth McCambridge

Appearances notwithstanding, we are not currently in a buyer's market for extraordinary workplace talent—a sobering picture for nonprofits looking to hire. While it may seem counterintuitive to look to big business for answers, recent studies of for-profit trends have surfaced some interesting implications for nonprofits. And those organizations that respond to the call to arms could find themselves at the forefront of a significantly transformed workplace.

AS NPQ STARTED RESEARCHING CURRENT questions regarding talent in the sector, we realized that some of what we were being faced with in trying to frame the issue were the differences between a kind of bumper-sticker reality and reality itself.

The Talent Paradox

Questions of talent in the sector have, over the past decade, been collapsed into claims and statements that did not quite fit with what people were experiencing but which were, in effect, conversation starters. As a result, many consultants have made a good bit of money on the portending of a nonprofit baby-boomer rapture, and on the divisions and differences between the generations in the workplace.

Meanwhile, the recession hit. And with it came predictions about crossover workers—a diaspora of sorts from the business sector into the nonprofit sector. There was a good deal of noise around this, as some hailed it as having the potential to infuse some good old-fashioned hard-headed business skills into our comfy, cozy, slightly incompetent nonprofit environment.

At the same time, the exposés of nonprofit executive salaries continued to grind on in an environment that was increasingly sensitive about where public money was being spent.

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"FEASIBLE SOLUTION" BY ERIC HAYDEN FRENCH CIRCUNS



Does your workplace help younger talent to develop [their] capacities? Does it encourage mentoring and coaching in an active manner? Is it a place employees can and do point to with pride?

We could go on, but you get the picture.

The trends in how our talent picture in the sector may be changing have been oversimplified to the point of uselessness. But real changes are indeed occurring and in need of our attention. First we will take a look at a couple of trends in thinking about talent in big business, because even though for-profit trends may seem far afield for some of our nonprofit readers, the dynamics resonate. Then we will examine the implications of that research for nonprofits.

The Orientation of Big Business

Even amidst high unemployment (reported at 9.6% in the U.S. in October 2010), the competition for talent continues to heat up—fueled by the demands of an economy that grew even more global and more competitive during the recession.¹

According to recent studies published by the consulting firm Deloitte, it is absolute folly to assume that if there are more job seekers around, it will be easier to hire. In fact, because many organizations have gone through some degree of downsizing, they have had to look at how to get the job at hand done better—in a more complex, global, and difficult environment, and often with less staff.

While executives and talent managers participating in this survey are still working to right-size their workforces, many are looking beyond headcount reductions and exploring new ways to achieve their business growth goals.²

This means that organizations are looking for talent that truly aligns with the work at hand and understands the environment in which that work is occurring—what Deloitte calls “high potential employees and emerging leaders,” and so they have to look at how attractive they are to experienced hires, how to retain key and promising staff, and how to attract the right new, less-experienced staff all at once. This requires a focus on human resources that is more intense than what many companies are accustomed to.

In the studies we have read regarding the orientation of big business to these questions, there

are at least three buckets of work that this sets up: retention, development, and recruitment. But it hardly ends there. Over and over again, the literature we’ve read emphasizes the importance of the employment brand, or what might be characterized as the culture and image of the workplace.

Deloitte seems to have coined the term “talent paradox” to denote the concept of talent scarcity amid plenty, and we will use that and other concepts from business literature here, but with a slightly different orientation.

Your Employer Brand

When nonprofits defend extraordinarily high executive salaries with the claim that you have to pay big money to get big talent, it provides a very incomplete picture. We all know highly talented people making less than what they might elsewhere. There are other reasons for choosing a workplace, like personal/institutional alignment.

What in your workplace might attract top-flight talent? A healthy compensation package, while important to many, is not the only reason why world-class talent works at one place rather than another. Also figuring into the equation are things like organizational reputation, learning/development potential, reasonable communication systems that invite input, and the opportunity to work closely with others, inside and outside of the organization, who are considered admirable and who act as good colleagues. Sophisticated skill sets are the coin of the realm for many organizations as the environment becomes more complex. Does your workplace help younger talent to develop these capacities? Does it encourage mentoring and coaching in an active manner? Is it a place employees can and do point to with pride?

If not, you will very likely either need to pay for the deficits with cash or settle for less than stellar talent.

Not inconsequentially, the factors that go into creating a workplace brand also figure into the ability to attract unpaid talent or volunteers, and the same questions apply. Leaving aside the many-layered value of volunteers in an immediate sense (see Peter O'Donnell's article “It's a New (Old) Day for Volunteerism,” in this issue), a powerful volunteer program can also serve to surface

Six Habits of a Talent Magnet

In "Six Habits of a Talent Magnet," a post to Anthony Tjan's blog on the Harvard Business Review website, Tjan and Tsun-yan Hsieh lay out six key practices organizations must develop in order to attract talent:³

- 1. Get to know the most talented individuals early on, when you don't need them.** Can you name the best one or two people for each of the critical positions in your industry? If you can't, start by attending industry meetings and asking the right questions. If at all possible, begin socializing with the best individuals across particular disciplines. Who are they really as people versus what [do] they do for a living? What interests them, excites them, drives them? The very best time to get to know people is when you don't need to hire them. If you don't establish a relationship first, chances are you will end up paying top dollar to get them—and even if they sign up, you may have trouble retaining them.
- 2. Create and manage the right expectations.** Most entrepreneurs and business builders oversell the excitement of their entrepreneurial opportunity and/or the institution, and undersell themselves. The most talented people are attracted to leaders whom they can trust and role models they want to emulate. Thus, ask yourself the question: "Why would any real talent want to work for me?" Paying top dollar is never a good enough reason for the best talent to join and stay with you. Promising room to stretch and rapid advancement have also become par for the course. To break out of the pack, you've got to look within yourself for the real leader whom they want to follow. It could be your courage to stand by your values, your reputation as a gifted teacher, or your soft power to bring opposites together. Then, set clear expectations from Day 1 of what you are willing to do to help them learn from you that they can't learn from anyone else, and what you expect them to do to succeed in this apprenticeship.
- 3. Look at their hearts—and not just their smarts.** The average resume is long on accomplishments and qualifications and short on purpose and passion. Which is fine if you're merely in search of technical skills. Yet in situations where you expect people to step up to uncertainty—to do unprecedented things and deliver breakthrough results—you need to focus on candidates' motivation, values, and purpose. Leadership defines itself when you are looking for people to change the game—and not just to improve a company's performance (otherwise managers with sound skills would suffice).
- 4. Cultivate them over time.** The best talent is almost always occupied (otherwise they wouldn't be the best). Luck is essential to business-building success, yet leaders cannot expect ideal candidates to be ready, waiting, and available every time they need great talent. Our recommendation: cultivate the best talent you can, and keep these individuals apprised of your work, purpose, and ongoing mission. Let them know who you are as a person. Best talents have lots of options. Don't be surprised when they say no to you. Never give up. Keep coming back over a number of years, and when these talents are finally ready to move and know how you are different, they will come to you.
- 5. On-board them thoughtfully.** We're frequently amazed by how carelessly and unsuccessfully many leaders transition new talent into a new milieu. In a complex organization, or unfamiliar context, "sink or swim" is a perilous strategy. New talent wants to succeed. Invest from the start in making sure this happens, and you will soon find yourself surrounded by loyal followers.
- 6. Mentor them for their success.** Being a mentor involves more than giving constructive feedback and avuncular advice. Mentoring is a journey based on mutual commitment to discovery and learning. Your primary reward is another person's success. Real talent can intuit when you're only interested in what they can do for you—and as soon as they find greener pastures, they'll leave.

This is not the first embarrassing display by nonprofits in a situation where they had the opportunity to weigh in on workplace policy.

mission-aligned talent with the right skill sets for your organization.

The Leadership Rapture and Life Here on Earth

The massive exodus of baby boomers from leadership positions in nonprofit-land has not played out exactly as predicted, but we know that the transition will happen eventually. And even if seasoned leaders do not retire altogether, they may move around quite a bit in coming years. In the business literature we see references to a post-recession “resume tsunami,” where key staff begin to look for opportunities elsewhere as business opportunities open up again. While this dynamic may be slightly different in the nonprofit sector, we would expect that the “buying” of seasoned talent will increase over the next few years. Tjan and Hsien’s first key practice (see previous page) acknowledges that the raiding of other shops is a habit of other talent magnets.

There is no reason to believe that the dynamic around seasoned talent will be all that different in nonprofit-land. Leaders who have an established track record for getting things done will be priced at a premium, and they will know it. And while some of them may have an overriding allegiance to the institution they are with, many will be facing life concerns that will motivate them to go where a salary might be higher. Furthermore, even the best leaders are mortal beings subject to limitations of perception, talent, and time. Not planning ahead and filling the ranks with progressively more home-tested leadership capacity is not only shortsighted, it flies in the face of today’s current operating environment.

But to create a nurturing and challenging environment for emerging leadership, you must focus on and invest in talent development. And you must share leadership space. Even if there is no room for promotions within your organization, if younger talent believes that you are willing to support their learning and their development of a persona of consequence in their chosen field, you will have created a win-win situation, because, as we have posited on a number of other occasions, nonprofits benefit from strong supportive networks. Former staff members who credit your nonprofit with being the venue for a developmental milestone can

be invaluable as they move along in their careers to partner and funding organizations.

The Sometimes Shaky Platform on Which We Build

Early this summer, *NPQ* wrote a Nonprofit News-wire piece on long-awaited landmark legislation in Connecticut that would require organizations with more than fifty employees to provide paid sick days for service workers. The legislation exempted manufacturing plants and (this is so pathetic) nationally chartered nonprofits. Why the exemption for this latter group? The Sound-view Family YMCA had lobbied their legislator, saying that they would be obliged to cut programs if forced to adhere to the long-overdue measure. This is so shameful on so many levels, but not least because it is so baldly hypocritical, as Rosetta Thurman pointed out in her blog post “Why Do Nonprofits Treat Their Employees like Crap?”⁴

Thurman cites the fact that this Y is a part of the national Y’s “Activate America” initiative, which is billed as the “YMCA’s bold approach to directly address our nation’s growing health crisis. Our mission compels us to transform the way we work, both internally and externally, to support all kids, adults, families, and communities in their pursuit of well-being in spirit, mind and body.”

This is not the first embarrassing display by nonprofits in a situation where they had the opportunity to weigh in on workplace policy. When localities were adopting living-wage ordinances early last decade, there were a number of successful efforts waged to exempt the nonprofit sector from compliance. When organizations mistreat or misuse those in entry-level positions, they brand their workplaces as undervaluing emerging talent. Place on top of that the continuing perception of an undervaluing of diversity in the sector, as is recorded in the recent Level Playing Field Institute report *The Voice of Nonprofit Talent: Perceptions of Diversity in the Workplace*, and you will also see organizations losing both emerging and senior leaders of color.⁵ In other words, organizations that are perceived as talking but not walking a good game where diversity is concerned may get even older, whiter, and less talented unless they make a concerted effort otherwise.

Bottom line: if your workplace is not a fair environment, the foundation on which you build will be fraught—full of trapdoors through which even the best-laid plans for talent development and attraction can fall.

Conclusion

It is clearly time for nonprofits to audit themselves for their ability to attract, develop, and retain talent. Tried-and-true recruitment techniques alone are no longer sufficient to ensure a talent-filled twenty-first-century organization. We nonprofits need to examine our workplaces for, among other things, our integrity of purpose and practice, openness to new ways of doing things, willingness to let emerging leaders stretch their wings and take the stage, awareness of cultural issues that are unproductively exclusionary.

So much of this is about our lived workplace values. Creating organizations that are paid and unpaid talent attractors in this sector requires at times profound cultural and attitudinal adjustments aimed at breaking apart comfortable enclaves and working differently. Sometimes, quite significantly differently.

NOTES

1. Deloitte, *Talent Edge 2020: Blueprints for the New Normal*, Talent Edge 2020 Survey Series, December 2010, p. 5, www.deloitte.com/view/en_US/us/Services/additional-services/talent-human-capital-hr/Talent-Library/talent-edge-2020/index.htm.
2. Deloitte, *Talent Edge 2020*, p. 4.
3. *Harvard Business Review* online; *HBR Blog Network*; “The Six Habits of a Talent Magnet,” by Tsun-yan Hsieh and Anthony Tjan, January 24, 2011, blogs.hbr.org/tjan/2011/01/the-six-habits-of-a-talent-mag.html.
4. *Empowering a New Generation of Leaders*; “Why Do Nonprofits Treat Their Employees like Crap?,” blog entry by Rosetta Thurman, May 27, 2011, www.rosettathurman.com/2011/05/why-do-nonprofits-treat-their-employees-like-crap/.
5. Level Playing Field Institute (in partnership with Commongood Careers), *The Voice of Nonprofit Talent: Perceptions of Diversity in the Workplace*, April 12, 2011, <http://www.lpfi.org/node/145>.

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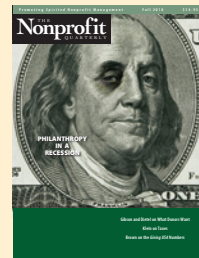
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