

Fair Compensation at Nonprofits is Mission Critical

By Rachelle Jervis, CEO of Executive Service Corps

Recently I was speaking to the founding Executive Director of an inspirational nonprofit that has been serving an at-risk population of our community for years. When this woman worked in the private sector her salary was substantial. When she left that prestigious secure job to start the nonprofit, it was because her research led her to the realization there was a need in our

community that she wanted to help meet. Now the organization is well established and provides critical community services. However, its leader had to make extreme sacrifices to keep it open first in taking a significantly reduced salary to work in the sector and then taking no salary at all when her organization's funding was unexpectedly cut.



Unfortunately, this isn't the first time I've heard this kind of story. Many nonprofit employees make significant economic and personal sacrifices to spend their careers doing work that enriches their community.

If our sector employees are working second jobs, funding their ability to go without income on their savings and retirement funds, or financially dependent on others, we set ourselves up for high turnover, burnout, churn, lost institutional knowledge and relationships, and less than optimal outcomes. As a sector, we need to work on creating a public sector that allows for people to live well while doing good.

Tips for Organization Leaders on Good Compensation

Donors and Funders

(1.) A Strong Team

Many funders report that a factor in their determining what organizations to support is the organization's leadership team. However, without a high-quality employment environment, the probability of retaining leadership is low. If you have the privilege of being a donor you have the opportunity to insist that nonprofits pay their team members well.

(2.) It's not staff versus mission

Donors can let go of the out-of-date practice of measuring "overhead" including staff salaries versus program costs as a sign of a well-managed organization. Common alternatives are measuring the number of clients served, effectiveness of programs, or impact on the mission.

(3.) Employee Retention Plan

Ask nonprofits to report their turn over and if it is high, to share their future employee retention plan including a board commitment to fair compensation.

Board Members

(1.) Fair Pay for Staff

If you serve on a board of directors you can insist that the organization pay their employees fairly. You can make sure that raises, bonuses, and benefits are in the budget and funded. Make building income sufficient to provide employees with retirement contributions a mission critical goal.

(2.) Mutual Respect of Expertise

A great board has diverse backgrounds that can support the organization's mission. Staff members come to the organization with industry expertise that they build on every day. By maintaining a relationship of mutual respect and admiration, the board can work with the organization to maximize impact.

(3.) Set Realist Goals

While ambitious goals can be galvanizing to board members and donors, they are often demotivating to staff members who see them as unrealistic and stressful.

Executive Directors/CEO

(1.) Lead by Example

When you love your job, it is hard to stop doing it. However, by showing your team that personal time and vacations are a priority for you, you empower them to make it a priority for them as well.

(2.) Align Policies with Principles

Nonprofit leaders should make and enforce organizational policies that maintain a culture of balance. An example would be creating a use-it-or-lose-it vacation policy and requiring all staff members to take their time every year. ESC has human resource consultants available for audits and other related services (execservicecorps.org/human-resources).

(3.) Other Benefits

If you lead a nonprofit you have the chance to create alternative employee benefit programs such as allowing telecommuting, organizing a pretax transportation card program, or giving employees local holidays off.

Recharging at Work & in Your Career

- (1.) Take breaks to stretch while slowly saying the alphabet in your head
- (2.) Allow for time on both sides of meetings
- (3.) Prioritize the things that must get done today and do them first
- (4.) Hire a coach (execservicecorps.org/coaching)
- (5.) Find a mentor
- (6.) Use a referral list to say no thank you with grace and care
- (7.) Plan for ways to reward yourself and your team after challenging or unpleasant projects are complete or goals are met
- (8.) Focus on one thing at a time
- (9.) Don't let every text and email pull you out of focusing on your current task. Distractions waste time and reduce quality.
- (10.) Whenever you can, delegate those things you do not need or want to personally do.

ESC Consultant Spotlight: Jackie Gnepp

Jackie Gnepp is a management psychologist with extensive experience as a coach, educator, manager, and consultant in North America, Europe, Asia and Australia. She is an expert in individual and group coaching, in helping groups successfully manage team and

organizational dilemmas, and in fostering improved interpersonal communication. An accomplished educator and facilitator, Jackie has shared her knowledge of management psychology, team building, and leadership development with hundreds of executives.



Jackie's career includes roles as Instructor for Chicago Booth Executive Education; as Visiting Professor at Duke University's Fuqua School of Business; as a Principle Fellow and Associate Professor at the Melbourne Business School in Australia; as Executive Coach and Corporate Training Manager for Accenture; as Consulting Psychologist at North West Hospital in Australia; as Regional Manager for Medco Behavioral Care Services; and as tenured Associate Professor of Psychology at Northern Illinois University. She is currently the President of Humanly Possible®, Inc. which offers organizational renewal, leadership education, and executive coaching to businesses.

Jackie earned her bachelor's degree at Bryn Mawr College and her doctorate in Psychology at the University of Minnesota - Twin Cities. She is a member of the American Psychological Association, the Society of Consulting Psychology, the Society for Judgment and Decision Making, the Applied Improvisation Network, and the Association for Psychological Science. She is a past Director of the Association of Consultants to Nonprofits.

With ESC, Jackie has worked primarily on Strategic Planning and Board Development projects. She is widely recruited by her ESC colleagues to serve as lead Retreat Facilitator, most recently facilitating retreats for Illinois Joining Forces, the Federation of State Physician Health Programs, and the Climate Registry. Jackie is currently managing an ESC engagement to support a division of the American Psychological Association.

Inexpensive Ways to Make Time for Yourself

- (1.) Take your health seriously by making a healthy diet and exercise routine.
- (2.) Meditate, do breathing exercises, or find another way to clear your mind and power off your electronics.
- (3.) Automate bills and budgeted savings to reduce your household administrative tasks.
- (4.) Do chores during the week so they don't pile up on the weekends.
- (5.) Plan your clothes the night before.
- (6.) Use a weekly pill & vitamin organizer.
- (7.) Schedule social activities with the same level of commitment you would an important work meeting.
- (8.) Sleep on the same schedule, allowing for 7-9 hours of sleep, daily.
- (9.) Schedule something for you to look forward to such as a day off where you will have no responsibilities.
- (10.) Take advantage of Chicagoland's many free cultural and entertainment opportunities such as museum days and art in the parks.

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