

**TOWARDS A HUMAN RESOURCES COUNCIL FOR THE
VOLUNTARY/NON-PROFIT SECTOR**

**REPORT ON THE VOLUNTARY SECTOR
HUMAN RESOURCES FEASIBILITY STUDY
FEBRUARY 2005**

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Related documents are available on the Voluntary Sector HR Council Feasibility Study web site
www.hrvs.ca/hr_council:

- Voluntary Sector HR Council Feasibility Study Project Advisory Committee – list of members
- What We Heard – Findings from Discussions in Communities About a Voluntary Sector Human Resources Council
- Voluntary Sector Voices – Results of an On-Line Survey on Human Resources Priorities; and Survey Questionnaire

1. EXECUTIVE SUMMARY

1.1. PROJECT OVERVIEW

This report presents a summary of findings and the next steps towards the establishment of a national human resources sector council (HRSC) for the voluntary/non-profit sector in Canada. The sector that is addressed by the study includes community based, regional and national organizations providing a wide range of services to Canadians on a non-profit basis. As defined by the project, the sector does not include the larger quasi-public institutions such as hospitals, schools and universities. The HRSC will address human resources (HR) issues having to do with the employed labour force in the sector – an estimated 900,000 people.

The feasibility study was carried out by a Project Team under the direction of two partner organizations – Community Foundations of Canada and United Way of Canada/Centraide Canada. The Sector Partnerships Division of Human Resources and Skills Development Canada (HRSDC) provided funding for the study through their national sector council program. The project built upon a 1998 study on HR issues and needs in the sector by the Canadian Centre for Philanthropy and the Canadian Policy Research Networks, and on the work of the Capacity Joint Table of the Voluntary Sector Initiative of the Government of Canada.

The study began in October 2003 and the research and consultation activities were completed by December 2004. Project activities included:

- 43 consultation meetings in 37 communities across Canada;
- A web-based survey with approximately 1,200 responses from agency managers and staff;
- Interviews with experts and key decision-makers in other sector councils, government and voluntary agencies;
- A national Project Advisory Committee, that guided the project and developed a framework for the development of a sector council, including governance options;
- The gathering of available information on paid human resources in the sector.

This report will:

1. Review the findings from the research and consultation activities; and
2. Set out a recommended governance model and framework for a national HRSC.

1.2. FINDINGS FROM THE CONSULTATIONS

The principal findings from the consultations are as follows:

1. There is a broad support across the sector to proceed with the establishment of an HRSC for the voluntary/non-profit sector.
2. In its governance, communications and service provision the new HRSC should address the diversity of the sector in terms of organizational size and financial capacity, urban or rural locations, linguistic and cultural environment, field of service, and other key factors.

3. Participants in the consultations in communities and the web survey identified three over-arching issues:
 - a) The serious funding issues faced by most non-profit organizations, and the implications of these issues for HR management;
 - b) The need for capacity building at the board and management levels, particularly with regard to HR management; and
 - c) The need to clarify the relationship between employees and volunteers and the management of volunteers

An HRSC will be expected to support or work in collaboration with existing voluntary/non-profit organizations who are taking the lead on these issues.

4. Participants in the consultations ranked inadequate pay and benefits levels and difficulties in attracting and retaining qualified staff as the most significant HR challenges facing the sector.

1.3. PROPOSED GOVERNANCE

To reflect the scope and complexity of the sector and provide for two-way communications and accountability, the Project Advisory Committee has proposed a governance strategy based on two elements: a National Board and supporting networks.

The national Board would have 17 voting members, 16 of them representing employers and employees in the voluntary/non-profit sector and one from an education/training organization. At least half the Board members should be women, and the make-up should reflect the diversity of the sector in terms of regions; size of organization; fields of service; ethnic, linguistic cultural and visible minority populations; age demographics and other factors.

The support networks will extend the reach of the Board, bringing in wider participation by sector representatives and providing the Council with additional expertise and experience in key areas of policy and program concern. Networks could be established in the areas of:

- Training and Learning;
- Outreach and collaborative links; and
- Environmental scanning and trends analysis.

1.4. IMPLEMENTATION

It is proposed that the HRSC be fully incorporated and in a position to begin program development and service provision by October 2005. To this end an Inaugural Board will be appointed by August 2005.

1.5. ROLE OF THE HRSC IN THE VOLUNTARY/NON-PROFIT SECTOR

The Project Team and Project Advisory Committee have proposed the following objectives for the new sector council:

1. To develop a qualified, committed, diverse labour force with the knowledge, skills and attributes to meet community needs in an era of increasing complexity, challenge and change.
2. To bring employers and employees together to provide leadership and work collaboratively on research, strategies and action related to paid employment in the voluntary/non-profit sector.
3. To reflect and speak for the unique characteristics and needs of the voluntary/non-profit sector in dealings with government, the education and training system, other sectors and the general public.
The project leadership proposes the following roles for the new council:
 - a) Be a leader and champion to build the voluntary/non-profit sector's paid labour force.
 - b) Be a provider of practical HR tools and resources.
 - c) Be a facilitator of collaborative action on HR issues within and across the sector.
4. Be a catalyst for learning and development and access to information about learning opportunities for employers and employees in the sector.
5. Provide a centre for knowledge and innovation about labour force trends and strategies related to paid employment in the sector.

When the new Board is in place in the fall of 2005 it will review the detailed findings from the Feasibility Study and develop a strategic plan for the first 3 to 5 years of operation.

2. INTRODUCTION

2.1. PURPOSES

This document presents findings and strategic directions arising from a 14-month research and consultation project to assess the need for, and feasibility of, a national human resources sector council (HRSC) for the voluntary/non-profit sector in Canada.

Project activities included extensive face-to-face discussions with board members, managers and employees of voluntary/non-profit organizations in communities across the country, a web-based survey of managers and other employees with human resources responsibilities, interviews with experts and key decision-makers in government and voluntary/non-profit organizations, the gathering of available sources of information on paid human resources in the sector, the development of governance options, and several meetings of a Project Advisory Committee.

The purposes of this report are:

1. To present the principal findings from the research and consultation activities;
2. To set out a recommended governance model for a national HRSC for the voluntary/non-profit sector; and
3. To identify the next steps for moving forward with the planning and implementation of the new sector council.

2.2. OVERVIEW OF THE VOLUNTARY/NON-PROFIT SECTOR

The focus of this initiative has been the employed or paid labour force in the voluntary/not-for-profit sector, and on human resources issues in the sector that are national in scope.

According to Statistics Canada there were 161,000 voluntary/non-profit organizations operating across the country in 2003.¹ Their revenues totaled \$112 billion, about one-third of which were attributable to the larger hospitals, colleges and universities. The 1% of organizations that had annual revenues of \$10 million or more accounted for nearly 60% of total revenues and 46% of paid staff; on the other hand, two thirds of the organizations reported revenues of \$100,000 or less. Some 49% of all revenues came from government, mostly from provincial sources.

Other research indicates that the non-profit sector generated 8.6% of national GDP in 1997, exceeding the contributions to the economy of major industrial sectors such as mining, oil and gas; retail; and accommodation and food services.²

Following the approach taken by the Canadian Policy Research Networks,³ the non-profit sector overall can be divided into two sub-sectors: quasi-autonomous non-government organizations (or “quangos”), and the voluntary/non-profits. The quangos include elementary and secondary schools, colleges, universities, hospitals and public infrastructure. The latter sub-sector includes non-profit organizations with paid employees involved in culture, recreation, health, education, social services, environment and a variety of other fields.

¹ *Cornerstones of the Community* (2004), the report of the first National Survey of Non-profit and Voluntary Organizations, Statistics Canada, Catalogue No. 61-533-SIE

² *Satellite Account of Nonprofit Institutions and Volunteering, 1997-1999*, Statistics Canada, Catalogue No.13-015-XIE

³ The following commentary relies heavily on a report entitled *Mapping the Non-profit Sector* by Kathryn McMullen and Grant Schellenberg, published by the Canadian Policy Research Networks December, 2002, available at www.cprn.org.

Because the quangos are so distinct in terms of organizational scale, structure, governance and financing, this initiative to establish an HRSC for the voluntary/non-profit sector has not included them.⁴ Human resources development issues in the quango sub-sector are currently and very extensively dealt with by several established professional bodies and by the various levels of government.⁵

Even with the limited data resources available it can be confidently stated that the voluntary/non-profit sector (referred to hereafter as “the sector”) is a very significant component of the Canadian labour force. The 1999 Statistics Canada Workplace Employees Survey reported that approximately 900,000 people were employed in some 63,500 sector organizations, comprising about 8% of Canada’s employed labour force and generating some \$22 billion in annual payroll earnings. Three-quarters of the organizations had less than 10 employees, but there are larger employers in the sector: half of the total labour force was employed in establishments with 50 or more workers. While there is little substantive data on the rate of unionization, it is estimated that about 16% of the workforce is unionized, with higher rates among the larger employers.⁶

Women represented about 75% of employees in the sector, more than is the case in the for-profit and quango sectors. Possible reasons for this pattern include:

- The traditional concentration of women in “caring” occupations;
- Relatively more flexible working arrangements that may attract people with family-care responsibilities;
- Relatively greater access to management roles; and
- Working conditions and compensation levels that men are less likely to accept.

While 39% of employees in the voluntary/non-profit sector are over the age of 45, the workforce is still measurably younger than that of the quango sector (and older than that of the for-profit sector). Approximately 30% of employees in the non-profit sector have university degrees compared to 15% in the for-profit sector and 40% in the quangos. 30% have completed non-university post-secondary programs (comparable with for-profits and quangos). About 33% of employees are classified in professional occupations compared with 10% in the for-profit sector and 47% in the quangos.

About 20% of employees have children younger than 12 years at home, similar to the quango sector but higher than in the for-profit sector (at 14%).

Among the unique characteristics of the sector are the reasons why so many people choose to work and to stay in it despite the lower pay and stressful working conditions they often face. Their motivations, career objectives, expectations for rewards and advancement, and education and training needs are distinct from most other occupations or professions. Both the sector council itself, and any human resources development strategies and programs it might develop in future, will need to be carefully tailored to fit these realities.

⁴ Voluntary sector foundations or associations that exist to support quangos are included within the scope of this project and the proposed sector council.

⁵ It should also be noted that separate national sector councils now exist for the day care sector, for police, for environmental organizations and for the cultural sector. As well, the Aboriginal Human Resource Development Council provides HR leadership among First Nations communities. It is possible that new councils will be established in future in the health care and social work sectors.

⁶ For more information about estimates of the number of organizations and employees in the sector, see Richard Brisbois’ research note, “Comparing the Satellite Account and the National Survey of Nonprofit and Voluntary Organizations with CPRN’s Mapping of the Non-profit Sector” (Canadian Policy Research Networks, February, 2005) at www.cprn.org

After examining these characteristics of the labour force in the voluntary/non-profit sector, including the unique motivational factors, the Mapping the Non-profit Sector report draws the following important conclusion:

In coming years, the non-profit sector will find itself competing with both the government and the for-profit sectors for skilled workers as the Baby Boom generation retires. This places the spotlight on the workplace – the quality of jobs, access to training opportunities and human resource management practices.⁷

2.3. OVERVIEW OF HR SECTOR COUNCILS

By the very nature of our country, human resources development in Canada is complex and challenging. We are a modern industrialized nation occupying a huge landmass, with two major language groups, an expanding immigrant population, large and dynamic metropolitan centres and widely dispersed rural populations including Aboriginal peoples. We are a federal state in which jurisdiction over occupational training and certification is vested primarily in provincial governments while the capacity to address national HR objectives is concentrated in the national government. There are distinct regional differences and inequalities, and provinces and territories have varying capacities to invest in human resources infrastructure and programs.

There are basic human resources challenges that impact on virtually all sectors of the national economy. The most significant at this point in our history is the accelerating retirement of the Baby Boom generation from the labour force. This age group has occupied a major proportion of trades and professional employment for the past three decades, somewhat to the disadvantage of younger cohorts attempting to pursue full careers. As older workers leave they take with them accumulated knowledge and skills that must be replaced, but in many sectors the younger workers have not had adequate training and practical experience to take over. New immigrants have knowledge and experience, but barriers to their full integration into the labour force persist. The retirement of the Baby Boomers and the sustained growth surge in the Canadian economy are together generating critical shortages of skilled workers. The result is a much more competitive labour market in which all sectors are having to pay more attention to labour recruitment and retention than in the recent past. Another significant cross-sectoral HR challenge is that over three quarters of the Canadian labour force is employed in small businesses and non-profit organizations. There is limited capacity in many such firms to support life long learning for employees. Larger employers may have more capacity to manage the ongoing renewal of their workforces, but small and medium sized enterprises need to collaborate to deal with HR issues on a sustainable basis.

The federal government does not deliver training and occupational certification, but it has a major interest in human resources development. In a knowledge driven, highly globalized national economy, productivity and competitiveness depend directly on the knowledge and skills of the labour force. The Canadian economy as a whole also relies on high levels of mobility between regions to meet constantly changing demands for skilled labour. The diversity of training and certification systems is sometimes a barrier to such mobility.

Through its Sectoral Partnerships Program, HRSDC is assisting a wide range of sectors to clearly identify their particular needs and to develop the capacity to address their respective HR challenges. Councils fulfill the following general functions for their sectors:

⁷ Mapping the Non-profit Sector, op cit; p. 5.

2.3.1. NATIONAL LEADERSHIP

Many sectors have limited capacities to address HR issues collaboratively. They often lack effective national leadership, or have competing organizations representing divergent interests among employers and employees. An effective council brings these different groups together at one table to address issues of common concern, and provides a national voice for the sector's HR issues.

2.3.2. DEFINING HR NEEDS AND STRATEGIC PRIORITIES

Through research and consultation activities, sector councils assemble essential information about the scale, scope and make-up of the sector, its contributions to the economy, the prevailing labour force trends and current and future HR challenges. Although every council will follow its own path, most will work through the following research and planning steps:

- a. An initial **scoping out study** to define the parameters of the sector, identify major stakeholders groups, assess overall HR trends and immediate issues, and identify priorities for start-up HR programming;
- b. A more substantial **situational analysis study** to assemble available knowledge and data sources from secondary data systems and the available industry and academic research resources;
- c. A **sector study** to address knowledge gaps and identify strategic HR priorities by means of primary research and intensive stakeholder consultations; and
- d. Development of a **national HR strategic plan** based on the findings from the situational analysis and the sector study, and through a process of intensive stakeholder participation.

2.3.3. PROGRAM DEVELOPMENT AND DELIVERY

Sector councils are funded by HRSDC to develop and distribute education and training programs that address HR needs identified through research and consultation activities. They are usually not supported by the federal government to deliver training and professional certification directly, as these are areas of provincial jurisdiction. The new programs are typically delivered by existing training institutions, by industry organizations or regionally based sector council type organizations.

2.3.4. COMMUNICATIONS AND SECTOR REPRESENTATION

While sector councils generally adhere to a strict HR mandate, they often represent their sectors on policy issues that concern the whole sector and that have significant HR implications. They are also consulted by Parliamentary committees, task forces and other policy bodies because of their specialized expertise and representative capacities. Councils also participate in public education activities aimed at improved public awareness of sector issues and promoting a positive image of the sector for labour force recruitment purposes.

3. THE FEASIBILITY STUDY

3.1. PURPOSE OF THE STUDY

The purpose of the Feasibility Study was to engage key stakeholders in discussions about the need for, and feasibility of establishing, a national HRSC for the voluntary/non-profit sector in Canada. The study solicited sectoral input and expert advice on strategic directions and an appropriate governance model for such a council. The Project Team attempted to identify points of agreement among stakeholders on the key human resources challenges facing the voluntary/non-profit sector and on the priorities for action to address those challenges. Detailed consideration was given to the following issues:

- What are the human resources challenges that a national human resources council could (or should) address?
- How would such a council help the sector meet these challenges?
- What would the council look like and how would it work?

The study examined the investments of time, money and other resources required from the sector to create and run the proposed sector council. It also attempted to identify and evaluate the benefits that may accrue to the sector from such a council in terms of attention to human resources challenges and delivery of practical products and services. The study also recognized the issue of potential overlap with existing HR sector councils such as the Cultural Human Resources Council, the Child Care Council, the Council for Human Resources in the Environmental Industry and the Aboriginal Human Resources Development Council.

3.2. LEAD AGENCIES

The Voluntary Sector HRSC Feasibility Study was carried out by a Project Team under the direction of two partner organizations – Community Foundations of Canada and United Way of Canada/Centraide Canada. The Sector Partnerships Division of Human Resources and Skills Development Canada (HRSDC) provided funding for the study through their national sector council program.

From mid-2002 to March 2005, Community Foundations of Canada and United Way of Canada - Centraide Canada collaborated on the project “Developing Human Resources in the Voluntary Sector” to provide sector organizations with practical HR information and tools. This project, funded by Human Resources (Social Development) through the Voluntary Sector Initiative, was undertaken with the understanding that it was a first step toward an ongoing effort focused on the voluntary/non-profit sector’s paid human resources.

3.3. PROJECT ORIGINS

This study began in October 2003 and the research and consultation activities were completed by December 2004. The project took into account the work of the Canadian Centre for Philanthropy and the Canadian Policy Research Networks who together first explored the idea of a sector council for the voluntary/non-profit sector in their 1998 study. This current study also drew knowledge and policy direction from the Capacity Joint Table of the Voluntary Sector Initiative of the Government of Canada and the Human Resource Voluntary Sector Project, as well from HRSDC’s Sector Council program.

3.4. CONSULTATION METHODS AND ACTIVITIES

The project included three major stakeholder consultation initiatives:

- Consultation meetings in communities;
- A web-based survey; and
- A Project Advisory Committee.

3.4.1. CONSULTATIONS IN COMMUNITIES

Meetings with stakeholders were held in 37 centres across the country during May and June 2004. The consultations were designed to gather opinions and insights from leaders from a broad cross-section of Canada's voluntary/non-profit sector. A total of 417 people participated, about 40% of them executive directors or CEOs. More than half the organizations represented had fewer than 10 permanent full-time employees. About 16% were from organizations whose employees are unionized, and the highest representation was from the social services sector.

The Project Team relied on local and regional organizations to engage participants and organize the meetings. Each half-day session engaged 8-12 people in discussions on current and emerging human resources issues and ways in which a human resources council might address such issues. In most groups participants were able to share knowledge on the specific social and economic characteristics of their areas. The discussions focused on issues relevant to the paid workforce, but concerns related to volunteer workers and other human resources challenges were explored.

Standardized agendas were used for the meetings and the findings from each session were recorded on a common template to support rigorous and consistent analysis and generation of findings.

3.4.2. WEB-BASED SURVEY

ePenso.Com was retained to conduct the web-based survey. It was designed to obtain broad-based input on voluntary/non-profit sector issues and needs and how a national sector Council might help to address them. The Project Team was assisted by sectoral organizations that announced the survey and distributed it within their networks.

The survey consisted of 24 close-ended and three open-ended questions, and also provided participants with the opportunity to comment generally on human resources issues. A total of 1,193 individuals responded over the five-week survey period. Respondents to the survey were predominantly executive directors or CEOs with 2 to 5 years of service with their current organizations and 11 to 20 years of work experience in the sector. Almost half reported some training in human resources management. Social services and health were their primary areas of activity and they served mainly neighbourhoods in large urban areas.

3.4.3. THE ADVISORY COMMITTEE AND OTHER CONSULTATIONS

The Project Advisory Committee was a valuable source of information and expert advice throughout the research and consultation process. The terms of reference stated that the purpose of the Committee was:

...to provide insights and advice that will guide the project and help to ensure fruitful dialogue with voluntary sector organizations about the development of an [HRSC].

The Committee was also seen to be a two-way link between the sector and the project that could disseminate information to sector groups in their spheres of influence.

The Committee was comprised of expert and highly experienced leaders from a cross-section of national, regional and community based voluntary/non-profit organizations across Canada. It met on four occasions over the life of the project to review and advise on research and consultation methods, interpretation of findings and elaboration of strategic directions. In its final meeting in December 2004 Committee members agreed that, based on the information and direction received from the sector through the consultation process, the project should move forward with the implementation of a national HRSC for the voluntary/non-profit sector.

The work of the Advisory Committee and of the project overall was greatly assisted by expert advice received from representatives of the following organizations:

- Human Resources and Skills Development Canada
- The Canadian Policy Research Networks
- Community Foundations of Canada
- United Way of Canada/ Centraide Canada

A number of Sector Councils such as The Cultural Human Resources Council, the Child Care HR Sector Council, the Tourism HR Sector Council, the Aboriginal Human Resources Development Council as well as the Alliance of Sector Councils were also instrumental in providing information and advice to the Project Team.

3.5. PROJECT PRODUCTS AND OUTPUTS

The project generated the following documents and resources:

- A background paper for the consultations;
- Proceedings reports from each of the consultations;
- A “What We Heard” report after the consultations in communities; and
- A report entitled “Voluntary Sector Voices” that presented findings from the Web Survey.

In addition, a framework document, a governance proposal and a transition plan were produced to support the deliberations and planning activities of the Project Advisory Committee.

Some of these documents and additional information about the project are available on the web site: www.hrvs.ca/hr_council.

4. FINDINGS FROM THE CONSULTATIONS AND THE WEB SURVEY

This section presents the main findings from the Feasibility Study. It draws on input from the consultations in communities and the results of the web survey, which were designed to complement each other. The consultation meeting format invited participants to address some pre-set questions without limiting the opportunity for each group to shape their discussion. The web survey used some of the questions addressed in the consultations to get comparable information from the wider audience. Other web survey questions were developed to shed more light on findings from the consultations. Generally, the findings from these two activities are consistent but some differences are noted below. More information is provided in reports available on the project web site: www.hrvc.ca/hr_council.

4.1. SECTOR AGREEMENT TO MOVE FORWARD

The general conclusion based on input from the sector was that the establishment of a national HRSC will generate significant benefits for Canada's voluntary/non-profit sector. Virtually all participants in the discussions in communities supported the concept of an HRSC. Stakeholders from a wide range of sub-sectors were in broad agreement on the pressing human resources challenges facing the sector and on appropriate strategies to address them.

It should be noted that a minority of participants expressed reservations about the viability and usefulness of an HRSC. Their concerns focused on two key areas:

- The risk that the development of an HRSC would draw energy and attention away from other priorities, most notably the problem of sustainable funding; and
- The limited capacities of sector organizations, particularly the smaller ones, to participate in a national HRSC in meaningful ways (and implicitly the danger that they might be further marginalized within the sector).

In the Web Survey, which involved nearly 1,200 responses, there were no statements opposing the creation of a sector council for the voluntary/non-profit sector, although some respondents said issues other than HR that are affecting the sector should take priority.

4.2. OVERARCHING CHALLENGES

4.2.1. SIZE AND COMPLEXITY OF THE SECTOR

Stakeholders made it clear that the size and complexity of the voluntary/non-profit sector must be recognized and accommodated, in particular the varying needs of sub-sectors and the differing challenges among larger and smaller organizations and communities. For example, smaller organizations are less likely to have employee benefits, have more limited human resources management capacities, and offer more limited career ladders.

Participants identified important jurisdictional and geographic constraints on the human resources needs and management capacities of organizations in different settings. For example, jurisdictional differences affect local employment standards, human rights legislation, and government funding and contracting requirements.

Organizations serving small, rural or Northern communities face special challenges as well, including a relatively smaller pool of qualified people from which to recruit employees, limited training opportunities, blurred lines between paid and volunteer work and, especially in the North, people working in isolation from their peers.

4.2.2. THE ISSUE OF FUNDING

Participants in virtually all sessions were concerned about the current situation of financial instability impacting on most voluntary/non-profit organizations. Funding is seen to affect all aspects of their organizational activities, including human resources management. Participants identified issues related to levels, duration and sustainability of funding, the terms and conditions attached to funding, and the often very demanding procedures for accessing it.

According to participants, the lack of funding for core operations and processes, including human resources, impedes their abilities to plan, to make long-term commitments to both staff and clients, and to decide how best to allocate limited resources. These challenges are exacerbated by short-term funding horizons, the move to program and project-based funding, and the increasing effort required by funding application procedures.

There were also concerns about the perceived downloading of government administrative and service responsibilities onto the voluntary/non-profit sector and increased accountability demands from government funders.

4.2.3. GOVERNANCE AND VOLUNTEER ISSUES

There were many indications that the new HRSC should play a significant role in building capacity in the sector for organizational governance and HR management. Stakeholders also identified board governance and volunteer relations as high priority concerns. Boards of directors do not always understand their responsibilities for human resources management and may require more effective training. Volunteer issues include the relationship between paid work and work performed by volunteers; recruitment and management of volunteers and managing relations between volunteers and paid staff.

4.2.4. THE STATUS OF WOMEN IN THE SECTOR

Another concern is the need to address issues related to the sub-standard pay-rates for some jobs in the sector. Some stakeholders see this as a function of the prevalence of women workers in the sector, particularly in the “caring” occupations in which women make up the majority of members. It was felt that the HRSC would have to take gender issues into consideration, particularly in its research work.

4.3. RESPONSES ON KEY HUMAN RESOURCES ISSUES

In the consultation meetings the participants were asked to rank in order of importance, and to comment on, the following five human resources concerns:

4.3.1. PAY AND BENEFITS

This issue was ranked as the most important human resources challenge by participants in the consultations, with all groups discussing it. Nearly one third of participants ranked it as the most important overall, while 11% of participants listed other funding-related issues as top priorities. In the Web Survey, however, pay and benefits ranked second lowest in importance.⁸

- Participants in the consultation sessions identified a number of problems caused by low salaries and inferior benefits, including:
- Difficulty attracting and retaining qualified staff;
- Employee stress and burnout;
- Difficult labour-management relationships; and
- Pressure to take time off in lieu of paid overtime resulting in heavier workloads for remaining staff.

⁸ Differences in responses between the community meetings and the Web Survey may reflect the fact that the discussions in communities tended to reach into overarching issues affecting the sector’s human resources, particularly financing-related challenges.

4.3.2. ATTRACTING AND KEEPING THE RIGHT PEOPLE

Participants in the Web Survey ranked this as the most important issue while participants in the consultations rated it as second to pay and benefits. Stakeholders pointed out that recruitment and retention issues are closely linked to other concerns and priorities, including:

- Funding-related issues such as low pay, lack of benefits and job insecurity, as well as job stress, overwork and burnout;
- The increasing complexity of voluntary/non-profit sector work;
- The need for training and training resources; and
- Negative perceptions of the voluntary/non-profit sector and the work it does.

4.3.3. NEGATIVE PERCEPTIONS OF THE SECTOR

This issue was ranked as the number one issue by 9% of participants in the consultations, third highest, but was the lowest-ranked concern in the Web Survey. Participants said that working in the voluntary/non-profit sector is viewed as an opportunity to make a meaningful contribution and to use a wide range of skills, but the sector is under-valued. It is too often seen as a place of long hours for low pay and a stepping stone to work in government or other sectors. Among possible remedies, participants suggested that the voluntary/non-profit sector needs a stronger voice to educate the public and promote the sector's accomplishments and strengths. There is also a need for more clearly defined roles for boards, staff and volunteers.

4.3.4. MANAGING PEOPLE

This was seen as the second most important issue by respondents to the Web Survey and fourth most important by participants in the consultations. Among the latter, a dominant theme was the increasing incidence of stress and burnout in the face of overwhelming work-time demands. Other issues included:

- Lack of time for managers to supervise and support employees due to workload burdens;
- Limited awareness about the roles and responsibilities of boards with regard to human resources management;
- The need for enhanced human resources management practices and tools for performance appraisals, job descriptions, succession planning and risk management; and
- The need for boards and managers to be current with employment legislation and regulations.

In their discussions, participants connected HR management concerns to a number of other important issues, such as the negative impacts of insecure funding on employee morale, governance issues and the need for more management skills training and effective recruiting practices.

4.3.5. EMPLOYEE DEVELOPMENT

This was the lowest ranking concern among community consultation participants, third-ranked in the Web Survey. Participants in the consultations said organizations currently provide few training and development opportunities for employees due to:

- The limited relevance, accessibility and affordability of existing training;
- The complex mix of skills required to work in the sector; and
- The difficulty of functioning while staff is on training, especially for smaller organizations.

Participants identified specific management skills (e.g., financial, human resources) and training needs (leadership development, proposal writing, technology) that should be addressed more effectively in their organizations. Suggested strategies to support employee development included:

- Enhanced collaboration with organizations both in and outside the sector;
- Mentoring and coaching programs;
- Improved access to a variety of learning opportunities, including web-based training; and
- University and college courses to prepare students for work in the voluntary/non-profit sector.

4.4. DISCUSSIONS WITH OTHER RELATED SECTOR COUNCILS

As indicated above, the Feasibility Study met with the Cultural Human Resources Council, the Child Care Human Resources Sector Council and the Aboriginal Human Resources Development Council to explain the purpose of the Feasibility Study and to more specifically identify any concerns about overlap and duplication. The representatives of the sector councils saw the value of developing ongoing two-way communications between an HR Council for the Voluntary Non-profit Sector and their respective sector councils, as a mechanism not only to avoid potential duplication of effort but also to identify opportunities for collaboration on specific projects or issues of common concern.

4.5. GOALS FOR THE PROPOSED SECTOR COUNCIL

There was broad agreement that the primary goal of the new council should be to ensure that the voluntary/non-profit sector has the paid human resources it needs to improve the lives of Canadians and their communities.

In terms of how the new Council should work, four specific directions emerged from the consultations: The new HRSC should:

- *Reflect the sector's diversity and complexity* by including organizations of varying sizes from rural and urban centres, from various geographic regions including the North, and representing different languages, sub-sectors and stages of organizational development.
- *Work with what already exists* by collaborating with and strengthening existing networks and organizations at the provincial, regional and community levels, as well as umbrella organizations in sub-sectors and outside the voluntary/non-profit sector.
- *Connect to the grass roots and have a community presence* by communicating regularly and efficiently through a variety of channels, delivering workshops locally and making the council accessible through provincial, local and/or regional contact points.
- *Limit costs to organizations* by making products affordable, not requiring a financial contribution from organizations and covering out-of-pocket costs of participation in council governance and other activities.

In their discussions on what the new HRSC should actually do in terms of programs and services, participants suggested a number of activities, including:

- Act as a clearinghouse for practical information, resources, tools and best practices;
- Undertake activities to elevate the sector’s profile as a desirable place of employment, and raise awareness and advance issues related to paid staff;
- Provide specialized expertise on human resources management issues and related legal matters;
- Create opportunities for organizations to exchange expertise and information and to collaborate in addressing shared HR issues;
- Carry out research and monitor HR trends; and
- Provide training in human resources management.

As well, participants called for the proposed council to support work on “big-picture” issues that have an impact on, or are affected by, human resources concerns, such as funding improvements and building capacity in voluntary/non-profit sector organizations.

4.6. PRIORITIES FOR SPECIFIC PROJECTS AND PROGRAMS

The Web Survey identified a number of immediate and longer-term projects that could be pursued by the HRSC. An immediate priority would be workshops or seminars to develop employee skills. In this regard, 71% of those responding in the Web Survey identified communication as the most important area for skill development, followed by leadership and managing of partnerships. Web Survey participants identified needs for future action in the following areas:

- Succession planning tools and best practices;
- Training in human resources management; and
- Improved networking with people in the sector with HR responsibilities.

4.7. PRIORITIES FOR ONGOING RESEARCH AND CONSULTATION

The Web Survey and discussions within the Advisory Committee produced suggestions for research and consultation by the HR Council, some immediate and others longer-term. The immediate priorities were:

- Information about accessible and affordable training;
- Performance management tools and best practices;
- Systematic information on compensation and wages, and
- Dissemination of information about employment legislation and its implications for voluntary/ non-profit organizations

Longer term research needs that were identified included:

- Studies on the nature and quality of jobs in the voluntary/non-profit sector;
- Analysis of skill requirements and the skills gap; and
- Identification of emerging jobs and skill requirements.

4.8. ISSUES EXTENDING BEYOND THE SCOPE OF THE HRSC

Throughout the discussions participants raised concerns that extend beyond human resources development and the typical mandates of HRSCs.

Most important of these was the “funding crisis” faced by many voluntary/non-profit organizations stemming from a decade of retrenchment and restructuring in government spending and service provision. Some stakeholders argued that the new HRSC should be active in public and political advocacy and in sector representation. A few went so far as to suggest that an HRSC is irrelevant unless the voluntary/non-profit sector gains access to adequate and stable funding.

From the outset of this initiative members of the Project Team and of the Advisory Committee paid close attention to mandate issues and the potential for duplication or competition with existing organizations and associations. It was clearly established that the mission of the proposed HRSC would be to support human resources development in the sector through practical programs and services as well as ongoing research and consultation. The HRSC would not be active in policy advocacy outside of the field of HR development.

Project leaders recognize the validity of sector concerns about funding and related issues. They see a role for the new HRSC in working with and supporting other sector organizations where appropriate. Across the country there are local, provincial and regional groups that are working on behalf of the sector. At the national level the following organizations are now taking leadership on policy and research concerns:

- The Voluntary Sector Forum (VSF) and the Canadian Council on Social Development (CCSD) are spearheading work on funding issues;
- The Canadian Centre for Philanthropy (CCP) and the Coalition of National Voluntary Organizations (NVO) have combined forces to establish a new national organization, called Imagine Canada. It will work in the fields of policy development, communications and public-private-voluntary sector alliances;
- Volunteer Canada is working to build organizational capacities across the sector to work with volunteers, and
- The Canadian Federation of Voluntary Sector Networks is bringing together networks of voluntary organizations from different sub sectors, within a defined geographic constituency to deal with cross-cutting sector-wide issues and to build linkages for information sharing.

A new HRSC for the voluntary/non-profit sector should maintain communications and collaborative links with all such networks and organizations. In this regard, the Project Team has already shared its findings from the discussions about the volunteer workforce with Volunteer Canada. Similarly the input from stakeholders on funding challenges in the sector was shared with CCSD and VSF.

5. PROPOSED GOVERNANCE MODEL

5.1. APPROACH

It is evident from the consultations that a national HRSC for the voluntary/non-profit sector will face unique governance challenges. The voluntary/non-profit sector is one of the largest within the Canadian labour force in terms of numbers of employees and employer organizations. It is also highly diverse in the size of organizations, distribution across geographic and cultural landscapes, types of activities and services, and organizational capabilities.

Participants in the consultations have collectively indicated that the new HRSC must be responsive to the needs of the sector. To meet this objective the Project Team and the Advisory Committee have together proposed a governance model comprised of two key elements: the Board and Supporting Networks.

5.2. THE BOARD

The Board will be of an appropriate size and makeup to achieve the best possible balance between representativeness of the sector, expertise, and effectiveness as a leadership and strategic planning body.

It will need to be reflective of the sector as a whole: members will bring their experience, knowledge and connections with the sector and look beyond their perspectives as representatives of their own organizations. It should also be reflective of the organizational diversity of the sector. The Board makeup must be reflective of organizations of different sizes, financial capabilities, communications capabilities and fields of activity.

More specifically the Board should provide effective representation for, or linkages to, the key organizational and human resources components of the sector:

- Employees, including both unionized and non-unionized workers;
- Employers, including both volunteer board members and professional managers;
- Members of cultural, ethnic and visible minority groups and persons with disabilities;
- Expanding immigrant populations;
- Voluntary/non-profit sector organizations and workers in Québec and in Francophone communities in other parts of Canada;
- Sector organizations in rural regions and northern communities; and
- Sector organizations in Aboriginal communities.

5.3. SUPPORTING NETWORKS

These bodies will complement and extend the reach and capabilities of the Board, bringing greater balance to the HRSC and ensuring that a full range of employer and employee voices is heard. The memberships of these bodies would go beyond the Board to bring in appropriate expertise, stakeholder representation and strategic links to other organizations.

Three such networks are suggested for implementation depending on the priorities established in the HR Council's strategic planning:

- An **Outreach Network** to give guidance on project development, bringing in the experience of stakeholder groups such as regional coalitions. This network would also pursue collaborative links with other sector councils in related fields.
- An **Environmental Scanning Network** to bring forward broader perspectives on factors that impact on the sector, looking at governmental, societal, cross-community, international developments or emerging trends. This group might include national groups, sub-sector organizations, regional coalition members, provincially based innovators, unions and research groups.

The Inaugural Board will further elaborate terms of reference, select members for these networks, and determine how these networks will operate (virtually, in-person, by conference call, etc.)

5.4. STRUCTURE AND MEMBERSHIP OF THE BOARD

The Inaugural Board will have a challenging role to set up the initial structures, plans and proposed outcomes for the Sector Council. The proposed governance structure is designed to get the Council started and to ensure planning for good Board succession.

The proposal for the first Board, as developed by the Project Team and reviewed by the Advisory Committee, is as follows:

- 17 voting members:
 - 16 members would be drawn from the voluntary/non-profit sector:
 - 8 would be employees of whom 2 would be chosen from a list put forward by the unions.
 - 8 would be employers.
- One voting member, not necessarily from the Voluntary/non-profit sector, will come from a learning organization.
- At least 50% of the total membership would be women.
- There would be significant diversity in representation:
 - Some would be young, Aboriginal, visible minority, with disabilities, from advocacy groups, from regional coalitions, from organizations of different sizes, facing different funding situations.
 - At least one member would be drawn from Québec's Comité sectoriel de main-d'oeuvre - Économie sociale et action communautaire, while others may come from Francophone communities outside Quebec.
- A representative of HRSDC will sit as a non-voting resource person, while other federal departments such as Human Resources Social Development and Health may be considered as rotational resource persons.

5.5. CHOOSING THE INAUGURAL BOARD

Identifying members of the Inaugural Board will be a key activity during the transition from the Feasibility Study to an operational HRSC after April 30, 2005. It is anticipated that transition activities, including the identification of Board members, will be guided by a small group of 5-7 interim directors selected by the Project Team and the two sponsoring organizations.

The process of identifying Inaugural Board members will have two steps.

Initially, a list will be compiled of 30-40 individuals who would most likely possess the skills and competencies set out for Board members. All members of the Project Advisory Committee will be invited to put forward names of those who could be approached as potential Board members.

A selection grid will be used to identify the attributes of each nominee and to balance the other characteristics to be taken into account.

A recruitment firm may be contracted to refine the selection tools and advise on the process of selection. The firm would assist in the setting up the process of application and determining appropriate screening of potential board members based on characteristics, skills and competencies.

6. A FRAMEWORK FOR AN HR COUNCIL FOR THE VOLUNTARY/NON-PROFIT SECTOR

The Feasibility Study has generated substantial stakeholder input and direction on the relevance of the sector council approach, the requirements for effective representation and the HR action priorities. The report of the Feasibility Study in fact serves the purpose of the ‘scoping out study’, the first phase in the research and planning agenda of a typical sector council.

Based on the consultations to date, the Project Team, with direction from the Advisory Committee, has proposed the following as the broad objectives for the new sector council:

1. To develop a qualified, committed, diverse labour force with the knowledge, skills and attributes to meet community needs in an era of increasing complexity, challenge and change.
2. To bring employers and employees together to provide leadership and work collaboratively on research, strategies and action related to paid employment in the voluntary/non-profit sector.
3. To reflect and speak for the unique characteristics and needs of the voluntary/non-profit sector in dealings with government, the education and training system, other sectors and the general public.

The project leadership also proposes the following roles for the new council:

1. Be a leader and champion to build the voluntary/non-profit sector’s paid labour force.
2. Be a provider of practical HR tools and resources.
3. Be a facilitator of collaborative action on HR issues within and across the sector.
4. Be a catalyst for learning and development and access to information about learning opportunities for employers and employees in the sector.
5. Provide a centre for knowledge and innovation about labour force trends and strategies related to paid employment in the sector.

Building on these roles, it is also proposed that the new council take the following approach to developing strategic directions and programming during the start-up phase:

1. Monitor trends and anticipate issues in the sector and take leadership in acting upon them.
2. Focus on value-added activities and projects.
3. Develop collaboration with other voluntary/non-profit organizations, educational institutions, sector councils, governments, unions and private sector companies.
4. Ensure ongoing two-way communications with the sector.
5. Be accountable to employers and employees as well as to funders.

The stakeholder consultations provide a wealth of detailed information about HR needs and action priorities across the sector. The priority at this stage, however, is to establish the new sector council with an Inaugural Board, incorporation and by-laws and the organizational capacities to start up programs and service delivery.

7. IMPLEMENTATION

The development of a proposal to support the implementation phase for a Human Resources Council for the Voluntary/Non-profit Sector was begun shortly after the last meeting of the Project Advisory Committee held on November 29th and 30th. The proposal will be finalized and sent to HRSDC by January 31st, 2005. A peer review process is then undertaken inside the department, followed by review and approval by the Directors at HRSDC, culminating in sign off by the Minister. The goal is to have the agreement for implementation in place by May 1st.

The first agreement to develop the HR Council for the Voluntary/Non-profit Sector will focus largely on start up activities such as:

- Hiring of the CEO/Executive Director and other staff
- Incorporating the HR Council as a not for profit organization
- Drafting letters patent and developing bylaws
- Implementing the proposed grid for the identification and selection of board members
- Orientation of the new board and the holding of board meetings
- Establishment of an office for the HR Sector Council, including all administrative, financial and reporting processes
- Development of a communications plan and activities to support the ongoing engagement of stakeholders
- Transferring products and services from HRVS and NLI projects, including the web site
- The development of a strategic plan and project concepts to be submitted to HRSDC by the end of 2005
- Development of the results-based management accountability framework (RMAF)

Throughout the implementation phase, the sector council will have to demonstrate that the 5 criteria for exemplary councils: representative, responsive, connected, results-based, and administratively sound are reflected in the proposal for implementation.