

Why do so few NFP employees feel appreciated?

Overview

Not-for-profit (NFP) organisations face increasing pressures to be competitive while navigating the ever-changing climate that surrounds them. These are challenging times.

Many NFPs are dealing with increased community needs, funding constraints and relatively high levels of employee turnover.

They need the commitment and support of their employees as much as ever to not merely survive, but to prosper and continue making a positive impact in the community.

Social exchange theory (and day to day experience) tells us that if an organisation wants the support and commitment of its employees, then it must in turn show support and commitment to them.

This is even more true in the not-for-profit sector where the sole purpose of organisations is to care for and support the vulnerable and disadvantaged people who need their assistance.

Shouldn't these organisations be exemplars when it comes to caring for their own employees who provide these services?

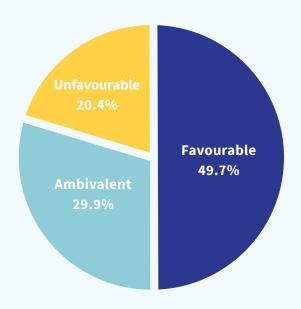
Surprisingly, feedback from 63,771 NFP employees gathered by means of 224 employee engagement surveys reveals that only 49.7% feel that their organisation cares about and is committed to them.

A further 29.9% are ambivalent about this (either slightly agreeing or neither agreeing nor disagreeing) and 20.4% have unfavourable perceptions.

This feedback is not what most people would expect. NFPs have good intentions and seek to make their staff feel appreciated and valued. Why is it that these good intentions are not resonating with half the NFP workforce?

To find answers, we conducted a deep dive into our NFP database to find the strongest correlations with the survey item "This organisation cares about and is committed to me". This would identify what employees associate with being cared for. It would also allow us to see how NFPs were performing on these items.

Employee perceptions regarding the organisation's care and commitment to them.



As a further way to understand what might be behind this low perception of care and support, we also consulted the academic literature relating to organisation support theory and social exchange theory.

Learn from the high-performers

We found that NFPs are not meeting the expectations of many employees in areas that are very important to them.

We also found that the organisations in the top 25% of the database are achieving much better results – with about two thirds of their employees feeling that the organisation cares about and is committed to them.

We examined the practices of these higher performing organisations to find out how this complex problem could be addressed. A selection of these good practices are shared at the end of the paper.

But before we delve into all that, let's first look at why it is so important to genuinely value employees in a way that resonates with them.

Reciprocity – how feeling valued impacts organisational outcomes

One way of looking at employment is that it involves the trade of effort and loyalty by the employee on the one hand for tangible benefits and social resources from the organisation on the other.

If employees feel valued then it should elicit the norm of reciprocity – leading to a felt obligation to help the organisation, as well as the expectation that increased performance on behalf of the organisation will be noticed and rewarded.

Felt obligation resulting from the organisation's care and commitment to employees should be positively related to affective organisational commitment. Employees who feel valued are likely to work harder, resulting in higher performance. Perceived support from the organisation also fulfils socio-emotional needs, meaning employees will feel more committed with an increased desire to help the organisation succeed.

Statistical analysis of Insync's NFP database mentioned above allows us to quantify the difference it makes when employees feel valued and cared for compared to those who don't.

We contrasted the feedback of the 31,694 employees who felt valued by their organisation (49.7%) with the feedback of the 13,009 employees who didn't feel valued (20.4%). We excluded the 19,068 employees who were ambivalent from this analysis (29.9%).

Those employees who feel valued are:

3x

more likely to be proud of the organisation for which they work



more likely to be satisfied in their job and have a strong sense of belonging to the organisation



more likely to envisage a fulfilling future at the organisation and to recommend the organisation as a place to work for family and friends These results are summarised in the graph below:



Because I have a great manager, I absolutely love my job. I feel listened to, respected and our team has a deep level of trust – which allows room for mistakes, growth, innovation and learning.

^{*} Employees who feel valued are those who agree with the survey statement, 'This organisation cares about and is committed to me'.

^{**} Employees who don't feel valued are those who disagree with the survey statement, 'This organisation cares about and is committed to me'.

What makes NFP employees feel valued?

Organisation support theory indicates that employees feel valued when their employer:

1. Genuinely cares about their personal wellbeing

2. Shows that it values their contributions

One would expect that most NFPs would value their employees in this way. So, what is causing the disconnect? Why is it that only 50% of NFP employees actually feel valued by their organisation?

To better understand this question, we conducted a correlation analysis of all the survey items in our NFP database to see which areas have the strongest association with the item 'This organisation cares about and is committed to me'. For shorthand, we will generally refer to this as feeling valued.

Because of our Manager, there is no blame culture – only a "how can we fix this together" culture.

We support each other, we encourage each other, we think of projects to collaborate on together, we get excited by new ideas and help each other succeed – work doesn't get much better than that.

The analysis identified that six main themes are strongly associated with feeling valued:



Development – employees expect the organisation to actively encourage and support their personal and professional development



Communication – employees want clear and transparent communication, the opportunity to be heard, and to be informed and consulted about change



Vision and values – employees feel more valued where there is a clear and inspiring vision for the organisation that is aligned with values that are lived and championed by leaders



Recognition – employees expect their efforts and contribution to be recognised and valued



Consideration – employees want the organisation to be concerned about their job satisfaction, allocate resources fairly and help them achieve work-life balance



Commitment to high performance – employees associate organisational care very strongly with high performance and achieving good outcomes for clients

While our analysis shows that these themes are strongly associated with feeling cared for and valued, it also shows that most NFPs are not achieving great results in these areas. Most of the survey items making up these six themes are not viewed favourably by more than 50% of employees. As these are the things that indicate to employees whether they are valued or not, it's not surprising that these employees therefore conclude that the organisation doesn't really care for them.

Let's look at each of these themes in greater detail.



Employees expect the organisation to actively encourage and support their personal and professional development as part of the reciprocal relationship with them.

Throughout my eight years with the company I have been given the opportunity to start and successfully complete my diploma to the highest standard possible.

Survey insights Average

This organisation has effective plans for developing and retaining its people

0.70

This organisation is committed to ensuring that the right people get promoted

33%

I have a real opportunity to improve my skills in this organisation

55%



Our senior leadership team gets the maximum from people's individual talents and knowledge

people's individual talents and knowledge

This organisation capitalises on the potential of all employees, regardless of gender, ethnicity or disability

58% 0.62

My skills and talents are used to their full potential

58% 0.59

What does this mean for leaders?

Personal development builds a person's capabilities and potential, makes them more effective and helps them achieve their goals. It should be a shared responsibility between the employee and the organisation. Employees link how the organisation facilitates their development very closely with whether the organisation cares for them. This includes the extent to which the organisation helps them to identify and play to their strengths.

Celebrate unique skills

People expect the organisation to understand and make use of their unique skills, talents and capabilities. It includes having clear and effective plans to help an individual progress through the organisation (including the skills required at each stage), with the right support

in place. It also includes the perceived equity in people practices, particularly the extent to which people are supported for training and professional development.

I love being able to develop my skills in such a supportive working environment without any judgement.

The survey items above shows how hard it is to get this right. Across all the items, only 45% of employees have a favourable view of the organisation's ability to assist in their development. If only 45% of employees think that the organisation is committed to their development, it helps to explain why only 50% of employees feel the organisation cares about them.

^{*} The average scores come from 224 employee engagement studies with 63,771 responses. Percentages refer to those who responded favourably on a 7 point scale where 1 = strongly disagree and 7 = strongly agree. Favourable responses include those who selected 6 (agree) and 7 (strongly agree).

^{**} Correlation with the survey item, "This organisation cares about and is committed to me."



Employees feel more valued where there is a clear and inspiring vision for the organisation that is aligned with values that are lived and championed by leaders. Our vision is compelling and draws others in, while creating alignment and commitment.

Average* NFP score Correlation** Survey insights Our senior leadership team has a vision for the Our senior leadership team encourages innovative organisation that inspires me and creative ideas 0.67 0.64 Our senior leadership team motivates me to work Our senior leaders act with integrity hard towards achieving the organisation's goals 0.65 0.62 Our senior leaders are good role models The person I report to displays confidence in the organisation's future 0.65 0.57

What does this mean for leaders?

The vision and values of the organisation, and how these are communicated and demonstrated by leaders, is an important part of perceived organisational care and support. Senior leaders have a big role to play in this. They must be exemplars and champions of the values they wish to see exhibited across the organisation. Leaders must be seen to act with integrity and be good role models, which builds trust and confidence in the organisation; leaders who don't act with integrity will undermine the aim of demonstrating employee care.

The vision is great however it is hard to see how that fits with our roles.

There needs to be follow up with managers to ensure they're promoting the values and vision at a local level among staff teams.

It is also important that senior leaders are able to communicate and embed an inspiring vision for the organisation. This includes painting a clear and motivating picture of every individual's important role in achieving this vision. With clarity and confidence in the future, and how it all fits together, comes a sense of assurance and organisational commitment from employees.

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 $^{^{\}star\star}$ Correlation with the survey item, "This organisation cares about and is committed to me."



Employees want the organisation to be concerned about their job satisfaction, allocate resources fairly and help them achieve work-life balance.

Survey insights

The person I report to is interested in my job satisfaction

0.60

Resources in this organisation are allocated fairly

I feel very supported and feel like (organisation) is very progressive in

their approach to offering work-life

balance to make sure staff are able

to stay engaged. It is a truly wonderful

Correlation**

37%

place to work.

Average* NFP score

0.58

This organisation helps me to achieve the ideal work-life balance

0.55

What does this mean for leaders?

In order to demonstrate support, organisations must consider the unique requirements of individual employees, making sure they feel fulfilled in their role.

The organisation must demonstrate its interest in employees achieving job satisfaction, with a commitment to address areas of dissatisfaction.

Work-life balance must be encouraged with effective policies and actions; failure to do so can be interpreted as a lack of empathy from the organisation, treating its employees as minions who are there just to get the job done.

Employees need to feel there is just and equitable availability and allocation of resources across the organisation. Under-resourcing can also feed the mentality of a lack of organisational concern for workers (particularly if some individuals or teams are perceived to be getting an easy ride).

I would like to see that responses of exiting staff are listened to and actually acted on, and that the recruitment of replacement staff is done in a much shorter timeframe to reduce the workload and stress placed on other team members.

Employees feel valued if they gauge a genuine interest in their job satisfaction. Employees who are not stressed or overworked, and feel they are encouraged to take time away from work, feel valued. Employees who feel they have been treated fairly feel valued.

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Employees want clear and transparent communication, the opportunity to be heard, and to be informed and consulted about change.

Giving us the opportunity to express what we like and what we don't like in our roles.

There is never a time where staff have been asked for areas of improvement.

Average* NFP score Correlation** Survey insights Our senior leadership team is open to feedback I understand how the organisation expects to 0.58 achieve its overall aims 0.64 I am advised how changes that may affect me are to We have a culture of 'no surprises' where bad news be introduced is promptly shared with management 0.61 0.57 The reasons for significant organisational There is a clear connection between what my work changes are explained to me group does and what the organisation aims to achieve 0.58 0.56

What does this mean for leaders?

All organisations have communication challenges.
Suggesting that organisational leaders focus on effective communication is hardly new. However, understanding the importance of this makes it obvious that organisational communication extends beyond keeping people updated.
Rather, organisational communication is vital for the way employees perceive the extent to which they are valued.

Effective communication is built on the notion that interaction is two-way and transparent. Employees expect visibility, honesty and clarity from their senior leaders, with important information shared in a timely manner. This helps to build trust. It is also important that leaders are open and willing to receive feedback from employees. Employees are far more likely to feel valued if they feel their voice is heard, and their opinions are taken on board.

Stop the flow of negative energy

This dialogue is particularly pivotal during times of organisational change (which, let's face it, is a constant for NFPs these days). While change is pivotal for all organisations, it is achieved only with effective communication. Poorly managed change results in resistance, exaggeration of the negative facets of change and rumours among employees. This negative energy is exacerbated by ineffective communication during the process.

It is important for employees that the underlying explanations and motives for organisational change are outlined to them. It is also paramount (from an employee perspective) that it is made overtly clear how the process of change may affect them and their future at the organisation.

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 $^{^{\}star\star}$ Correlation with the survey item, "This organisation cares about and is committed to me."



Employees expect their efforts and contribution to be recognised and valued.

Survey insights

Our senior leadership team go out of their way to acknowledge and thank people for their contribution

45%

This organisation has effective programs for recognising and rewarding achievements of its people

36%

There are good early progression opportunities that give you the chance to feel valued and important to the organisation.

Average* NFP score

Correlation**

What does this mean for leaders?

Perceived organisational care represents the emotional and intellectual bond between employee and employer. Recognition relates to a basic human need to be acknowledged for our efforts, as much as it is about the challenge for leaders to achieve this organisation-wide.

Recognition of employee efforts can be in the form of monetary benefits (for example, incentives for achieving KPIs). However, organisations should not underestimate the value and impact of non-monetary approaches.

Acts of gratitude or a simple 'congratulations' on a job well done from senior and team leaders goes a long way to creating a culture of recognition, thus ensuring employees feel appreciated.

I would like to feel more valuable, more appreciated and definitely more respected. Lately, I have been feeling invisible. The organisation manages to attract great employees who are passionate about making a difference, but then they lose them to competitors because they don't feel valued by the organisation.

It is not enough for employees to receive compensation for their efforts; they also want to be acknowledged and to feel valued.

Successful organisations recognise their employees, which leads to motivated and passionate people who are willing to go the extra mile.

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^{**} Correlation with the survey item, "This organisation cares about and is committed to me."



Employees associate organisational care very strongly with high performance and achieving good outcomes for clients.

I think the organisation has strong vision, goals, and values – with staff and leadership extremely committed to achieve these.

Survey insights

This organisation is committed to high standards of performance

67%) 0.58

This organisation consistently shows its commitment to achieving client outcomes

) 0.58

This organisation is committed to best practice in our industry

67%) 0.57





Our everyday actions and performance are clearly linked to the organisation's goals

) 0.56

This organisation puts every effort into ensuring our systems perform well together

) 0.55

What does this mean for leaders?

Our analysis also shows an interesting relationship between an employee's sense of perceived organisational support and their perception of the organisation's commitment to achieving high performance.

This relates to the extent to which the organisation is seen to show commitment to best practice and high standards of performance, achieving efficiency in the way systems perform and attaining good client outcomes.

Clear goals are key

To achieve high performance requires deliberate action by all staff, to achieve a culture where expectations and goals are clear. We find that one of the biggest frustrations for employees is a perceived lack of accountability from colleagues and leaders, as it can result in wasted time and unfair distribution of work.

It's also no surprise that an organisation's ability to demonstrate its commitment to achieving client success is directly linked to the employee's sense of organisational support.

I think we need a strong vision with clear goals that are translated and understood across the business.

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Conclusion

The norm of reciprocity assumes that we repay in kind what another has done for us. When employees feel valued, they are likely to work harder for their organisation. Harder-working employees, engaged and connected to the vision and purpose of the organisation, will contribute to improved organisational performance.

When it comes to a question of value, it's a no-brainer.

This is why we found it surprising that in the NFP sector (where caring for people is at the very core of what many organisations do), only 50% of employees feel the organisation truly cares about and is committed to them.

However, in exploring this more deeply, we uncovered that many NFP organisations are not performing well in the areas that are most closely associated with an employee feeling a sense of organisational care. In order to demonstrate employee care, organisations must:

- Develop their employees and provide opportunity for progression
- Connect employees to a clear and inspiring vision, that is aligned with values that are lived and championed by leaders
- Show interest in employee job satisfaction, allocate resources fairly and help employees to achieve work-life balance
- Be clear and transparent in its communication and create a two-way dialogue with employees
- Recognise employee efforts
- Demonstrate commitment to high performance and achieving good outcomes for clients

While the results in our benchmark database indicate that, on average, NFP organisations do not perform well in these areas, all is not lost. Organisations in the top quartile of our benchmark are achieving success in these areas, scoring well above the average.

We've been able to learn from the practices of these organisations and their leaders about how to achieve success, and truly demonstrate care and commitment to its employees.

The following **Good practice guide** offers some practical tips and practices for both the organisation and leader to ramp up their efforts in demonstrating genuine employee care.

Good practice guide

How higher performing NFPs make their employees feel valued

Insync's research study has shown that only about half of NFP employees feel that their organisation truly values them.

Further analysis has shown that employees look at six indicators when forming their perceptions about the organisation's care for them. These indicators are very hard to get right given the numerous pressures that NFPs have to deal with.

Notwithstanding these challenges, the organisations in the top 25% of the database are achieving much better results, with just over two thirds of employees feeling valued by the organisation.

What are these organisations doing differently? From our research we conclude that there are no easy answers.

There aren't a few brilliant ideas that no one else has thought of.

Rather, these organisations have developed cultures of genuine care for their employees and clients, and seek to continue nurturing these cultures. They build their culture around a vision and values that truly resonate with employees. They also identify a few good practices that they implement consistently and repeatedly day in and day out.

They don't take on too much, but identify the practices that make the biggest difference and seek to apply these practices to a very high standard.

A selection of these practices for both organisations and leaders follows.





Employees expect the organisation to actively encourage and support their personal and professional development as part of the reciprocal relationship with them.

Good practice tips - organisations

Map out and maintain an employee skills matrix.

Implement an employee development roadmap that summarises career pathways across the organisation. What skills need to be demonstrated at each level and how long can an employee expect to be at each level?

Make the process transparent for internal promotions. Outline the who, what, when, where and how of promotion decisions. Make sure all promotions are shared company-wide, with practical examples of how those being promoted have demonstrated the expected skills.

Include personal and professional development discussions as part of manager-employee monthly one-on-ones.

Provide a yearly allowance for individuals to engage in professional development activities to help them develop and grow.

Good practice – actions by leaders

Understand the skills and talents of your employees. Regularly ask them how they're using their skills in their role, and how they'd be able to do this more.

 $Have \ regular \ discussions \ with \ employees \ about \ how \ they' feel \ they're \ progressing, and \ how \ they'd \ like \ to \ develop \ further.$

Have transparent conversations about employee promotions; be open and honest and explain why decisions have been made.

Help to facilitate and make space for employees to engage in tasks that are new to them or outside their comfort zone. Provide feedback so they can apply learnings for next time.



Employees feel more valued where there is a clear and inspiring vision for the organisation that is aligned with values that are lived and championed by leaders.

Good practice tips - organisations

Articulate a clear and compelling vision for the organisation, which is aspirational yet achievable. Link this vision to the purpose and strategy of the organisation, as well as how this relates to team and individual roles and expectations.

Articulate a clear employee value proposition for the organisation. What will the organisation offer to its employees, and what does it expect in return? How is commitment to being a values-led organisation demonstrated, and how does this play out in the lived employee experience?

Recruit only those employees already aligned with the organisation's values, and who are passionate about its vision and purpose. Ensure that recruitment supports the ability to identify these individuals.

Hold leaders accountable to be exemplars of the organisation's vision and values.

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Solution Vision & values (continued)

Good practice – actions by leaders

Be an exemplar of the organisational values. Hold others accountable to do the same.

Act in a way that aligns with what you say. Nothing undermines integrity and trust more than saying one thing and doing another.

Have regular conversations with your team and one-on-one about the vision of the organisation. Ask employees how they feel they are contributing.

Encourage and motivate your team to achieve goals. Provide regular updates on how you're progressing and encourage new and creative ways to accomplish targets.



Employees want the organisation to be concerned about their job satisfaction, allocate resources fairly and help them achieve work-life balance.

Good practice tips - organisations

Have clearly documented position descriptions that reflect the day-to-day requirements of the role (dissatisfaction can often occur when expectations and the lived experience don't align).

Clearly communicate and document the organisation's approach to helping employees achieve a good work-life balance. Ask employees for input to create or refresh this policy.

Be transparent about how resources are allocated and shared. Ensure there are processes in place for reviewing and reallocating resources as needed.

Implement a system that provides overarching visibility of resources requirements and commitments so increased workloads can be planned and managed.

Good practice - actions by leaders

Talk to your direct reports to understand levels of job satisfaction; understand what brings them joy and what creates frustration.

Understand what an ideal work-life balance looks like for each individual and discuss how this can be achieved within the organisation's workplace flexibility policy; facilitate the notion of reciprocity.

Stay across hours/overtime worked by team members and re-assign/re-allocate tasks and resources as required.

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Employees want clear and transparent communication, the opportunity to be heard, and to be informed and consulted about change.

Good practice tips – organisations

Assess current communication practices across the organisation; content, channels, frequency and responsibility. Review and update the communication framework based on employee input. Frequently review and update the communication framework to ensure it is fit for purpose.

Treat cultural change projects as a strategic priority. Make sure employees are aware where they can go for up-to-date information on the change initiative, or if they have questions.

Create visibility of how the organisation is tracking against its goals and targets. For example, regularly update the organisation's intranet with the number of clients helped that month, client good news stories and new contracts won.

Good practice - actions by leaders

Be transparent in all communications; it's OK to say the outcome is not known, yet commit to providing regular updates.

Be open and approachable. Welcome and ask for feedback and actively listen to what employees have to say.

Facilitate open dialogue about near-misses and errors. Encourage a culture of learning where individuals are not punished for errors, but they are seen as an opportunity to learn and improve for next time.

Hold regular group discussions that connect the team goals with the organisation's goals. Ask employees to reflect on what they're doing each day and how it's contributing to the team and organisation achieving its goals.



Employees expect their efforts and contribution to be recognised and valued.

Good practice tips - organisations

Review or implement an employee recognition program that specifies how employees are rewarded and recognised.

Review or implement an incentive program as part of the recognition program. Align monetary rewards to individual, team and organisation-wide KPIs.

Good practice – actions by leaders

Take the time to acknowledge and thank employees for their contributions. This needs to be a part of standard practice, not reserved only for when employees go above and beyond.

Consider semi-regularly applying small gestures of appreciation, such as a friendly sticky note on the employee's desk or shouting a round of coffees for the team.

Utilise team and organisation-wide meetings to recognise and thank employees for a job well-done. Share examples of good performance and how it exemplifies cultural expectations.

Instil a culture of recognition by regularly thanking and praising others in front of the team.

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Employees associate organisational care very strongly with high performance and achieving good outcomes for clients.

Good practice tips – organisations

Establish and promote a culture of client-centricity and best practice.

Regularly review systems and processes. Invest in upgrades and ongoing improvements.

Good practice – actions by leaders

Help to link the everyday actions of the team and individuals to the organisation's goals.

Be aware of good practice and industry standards; regularly discuss these with your team and changes that might be needed to achieve this.

Help to remove roadblocks that hinder efficiency.

Put clients at the centre of everything you do. Showing genuine care for clients has a direct impact on how employees perceive the organisation cares for them.

Hold the team and individuals accountable to what has been agreed. Ask the team and individuals to hold you accountable to what you promise, too.

About Insync

We help our clients engage their stakeholders more effectively.

We're leaders in integrated experience management, research and consulting. Our purpose is to inspire success. And that's what we've done for over 100 leading organisations in the health, aged care, and community services sectors.

We provide evidence, expertise and actionable insights to shape the employee and consumer/patient/family experience, ensure good governance and help organisations manage the risks that matter most.

Clients such as St Vincent's Health, Epworth, YMCA, UnitingCare, Mater Health, Anglicare, Guide Dogs, CatholicCare, MS, the St Vincent de Paul Society and the Royal Flying Doctor Service trust us to deep dive into their culture, experiences and risk processes, and surface with actionable insights that drive real change.

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