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2017 HR PRACTICES SURVEY

WELCOME!

Hello and welcome to the results of our first ever HR practices survey. A little background first. It isn't uncommon for Hotline callers to ask what other members are doing: whether it's how much PTO others offer, how other members decided to handle the increase in the pending FLSA exempt salary threshold in the fall of 2016, or how competitive they are with salaries and benefits. Many of us want to know where we stand against our peers. We decided it was time to find out.

In February 2017 we sent out our first comprehensive HR practices survey. We had an exceptional response from over 300 members in 36 states, from both large and small organizations in every corner of the nonprofit sector. We want to say a great big "thank you" to those of you who responded to the survey.

The five main subject areas covered in the survey are: Hiring, Separations, Benefits, Engagement and Wage & Hour. While there were no big surprises, we did have a few small ones. Curious? Want more? Simply turn the page to start reading the results. Please let us know what surprised you or has left you with questions.

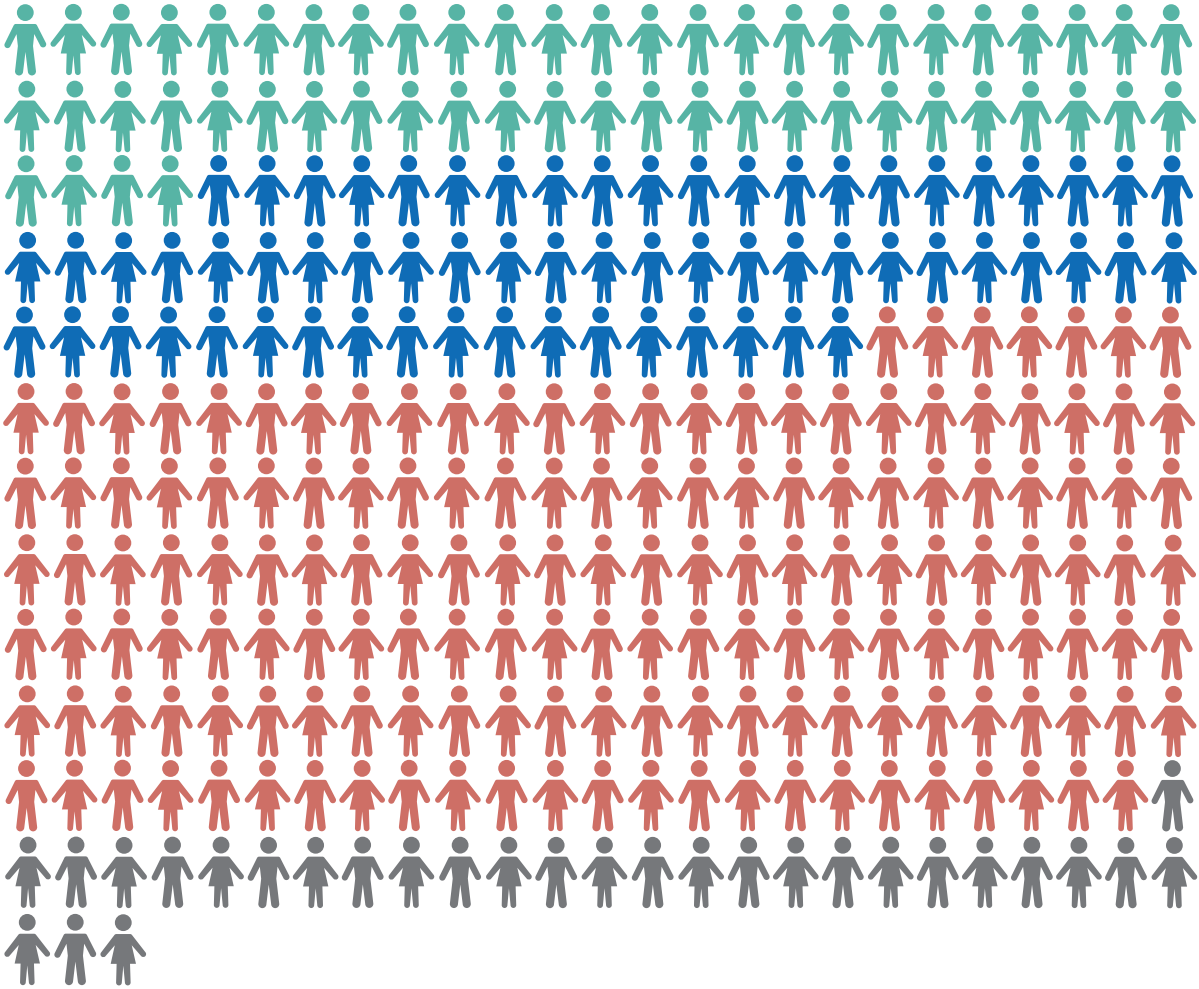
We hope you enjoy what you see and come away with information, some new facts and a few helpful tips.

Maureen Marfell

Sonya Llewellyn

SURVEY RESPONDENT DATA

303 organizations

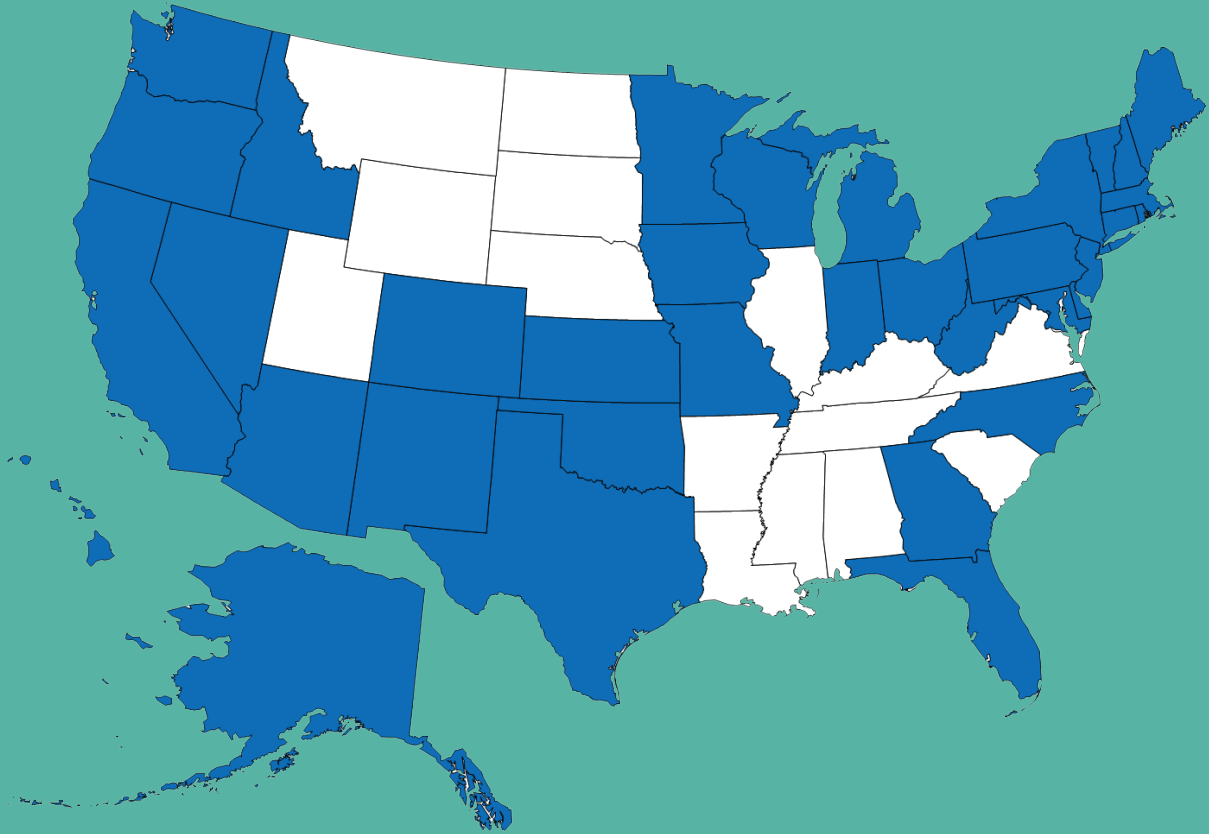


17% CEO
20% Finance

51% HR
12% Other

SURVEY RESPONDENT DATA

36 states



45 questions



GENERAL

EMPLOYEE INFORMATION

Question

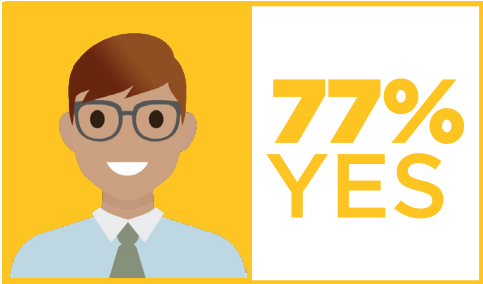
How many employees does your organization have?



27%	1 - 49	7%	150 - 199
24%	50 - 99	24%	200 - 500+
15%	100 - 149		

Question

Does your organization have a dedicated HR professional on staff?



FACT:
The average HR-to-employee ratio is 1.50 for every 100 FTEs (full time equivalent).

HIRING

POLICIES AND PROCEDURES

Question

Do you have specific hiring policies?



92%
YES

8%
NO

TIP:

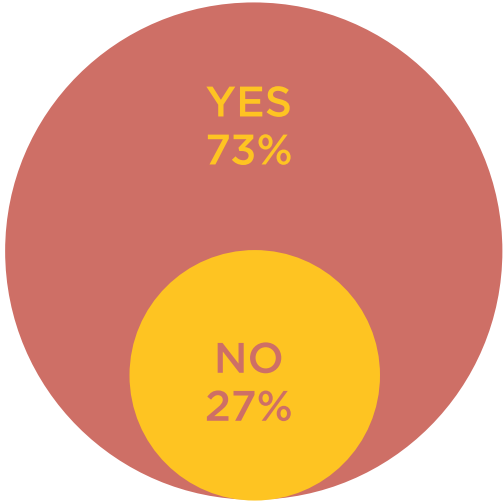
Having a guide to help ensure a transparent, consistent and legal process should assist in hiring the best candidate for the job and your organization. Those specific formal hiring policies and practices outline how your organization will conduct the recruiting and selection process and helps establish that you are a credible and reputable employer.

HIRING

TEAM APPROACH AND WHO DOES THE HIRING

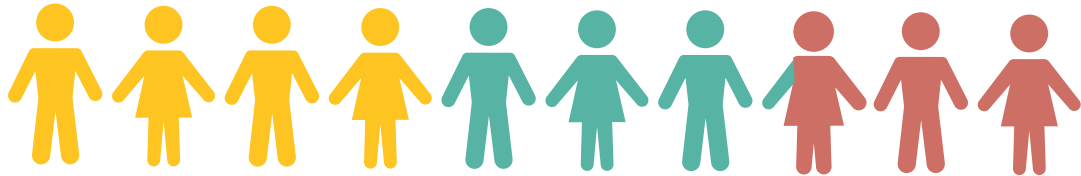
Question

Does your organization use a team or committee approach to hiring?



Question

Who does most of the hiring duties in your organization?



40% Hiring Manager

32% HR

28% Others
(office managers, executive assistance, finance and Executive Directors)

TIP:

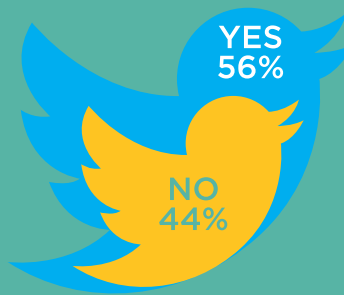
Often, when employees and not just HR are involved in hiring and other appropriate areas of organizational operations, employees can feel as if they're all working towards the same purpose and a sense of community grows. The ability to have input on the hiring of your fellow coworkers and the opportunity to ask, "Can I work with this person?" can lead to higher employee engagement.

HIRING

SOCIAL MEDIA

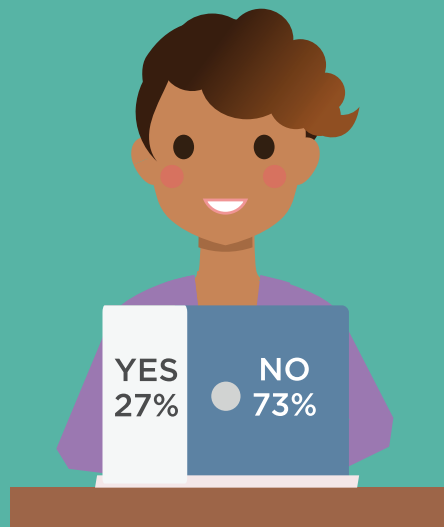
Question

Do you post open positions on social media?



Question

Do you investigate candidates on social media?



TIP:

Social media can be a very cost-effective way to recruit for your organization. If you choose to recruit via social media, it's important to have a dedicated person to monitor your social media postings to edit out any inappropriate comments.

HIRING

ONBOARDING AND SENIOR LEADERSHIP HIRING

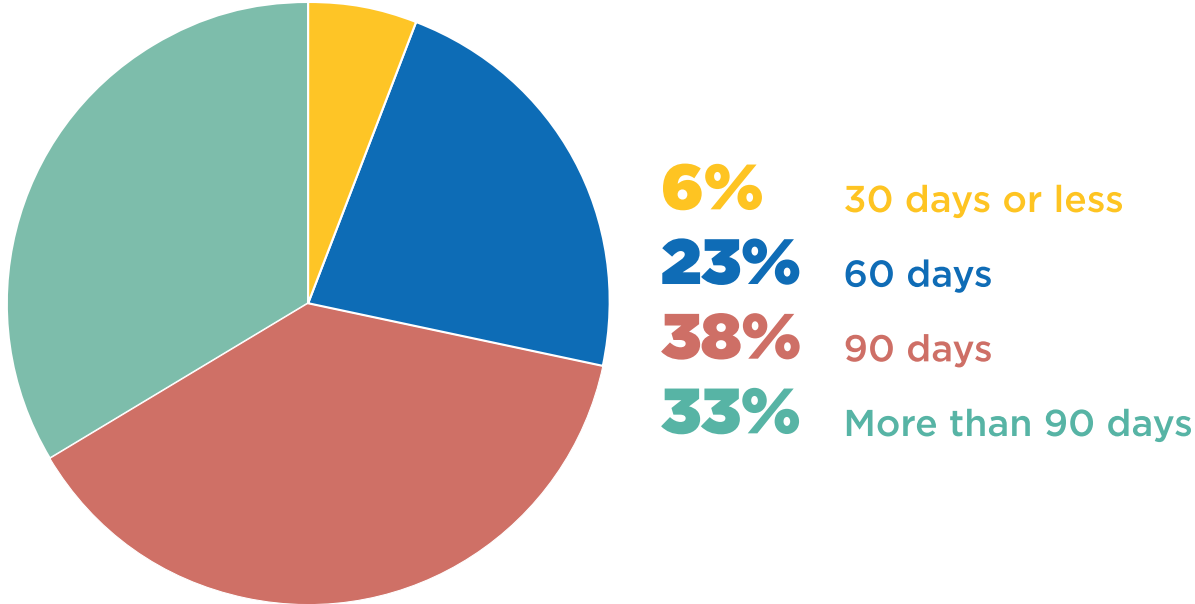
Question

Do you have a formal onboarding process?



Question

How long does it take your organization to hire Senior Leadership staff?



TIP:

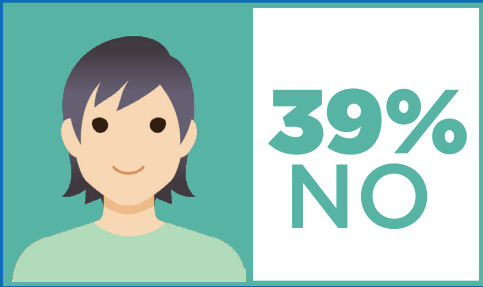
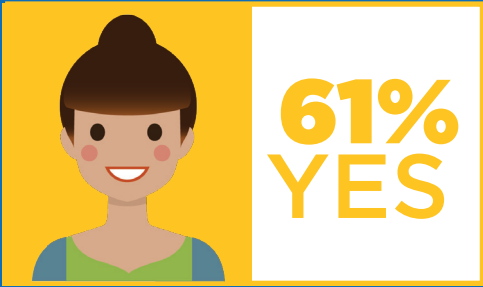
Filling positions in a candidate driven market costs more and takes longer. Remember that when you are talking with a candidate, they are likely to be interviewing with other organizations. If you prolong the process you are at risk of losing top candidates to another employer. It takes an average of 52 days to fill an open position, up from 48 days in 2011. (Talent Acquisition Factbook 2015, Bersin by Deloitte, April 2015)

SEPARATIONS

EXIT INTERVIEWS

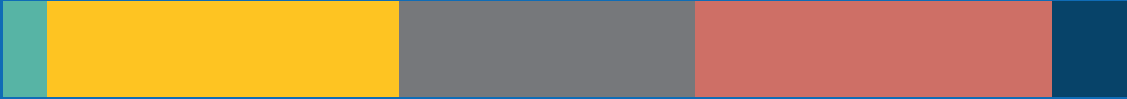
Question

Does your organization do exit interviews with all departing employees?



Question

Who sees your exit interviews?



- 3%** Board
- 32%** Executive Team
- 27%** HR Only
- 32%** Manager & HR Only
- 6%** Other

TIP:

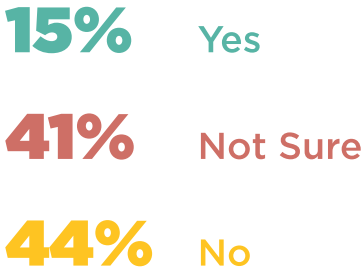
Performing exit interviews often gives good actionable information regarding an employee's experience with the organization and why they have chosen to move on. People tend to be more open and honest with their feedback when they are on their way out. When shared appropriately and taken to heart, the information can be very valuable, especially if changes are made when suitable.

SEPARATIONS

OUTPLACEMENT AND POSTMORTEMS

Question

Does your organization plan to offer the Trust’s complimentary online re-employment services (NextJob) to your involuntary separations?



NEW

The Trust now offers re-employment services to members’ departing employees. Re-employment services assist the unemployed find new work thereby reducing Trust member’s unemployment costs. Please call for more information.

Question

Does your organization perform a “postmortem” after an involuntary separation?

21%
YES

79%
NO

TIP:

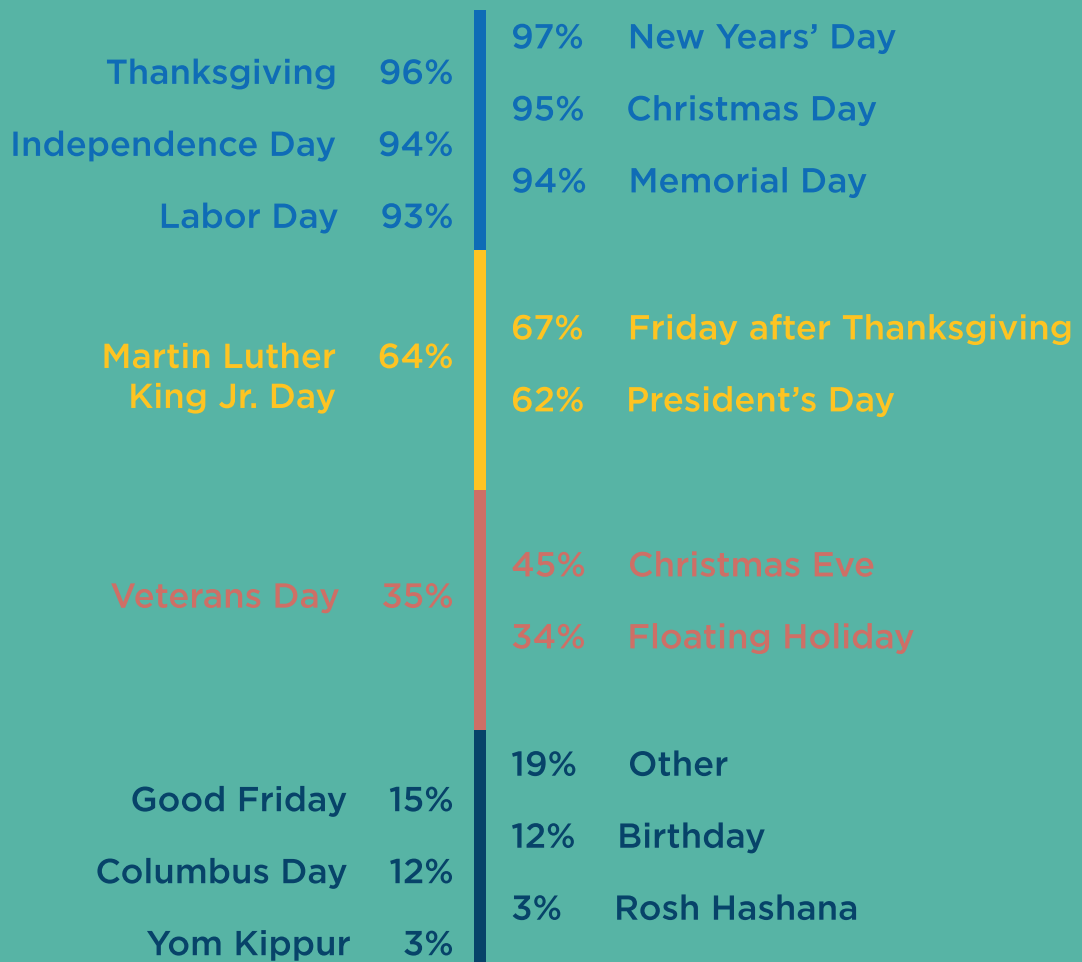
A “postmortem” offers an opportunity to review the event from multiple sides. Was the employee a bad hire? Did the employee get the help, support and structure they needed to do their job well? Did we have the right person in the wrong position? Did we wait too long to start the corrective action process? Do we have a clear corrective action process?

BENEFITS

HOLIDAYS

Question

Which holidays does your organization offer?



TIP:

Benefits can be an expected part of an employment relationship, especially if you want to attract and retain high-quality loyal employees. Every organization has its own unique culture. Consider tailoring your paid holidays to your individual organization with input from your employees.

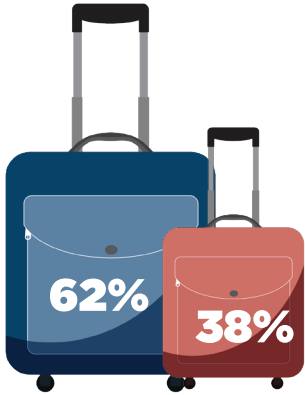
BENEFITS

VACATION / PTO

Question

What type of vacation benefit do you offer?

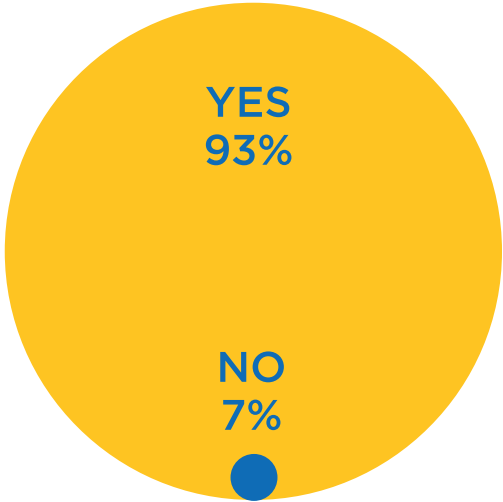
Separate Vacation
and Sick Time



PTO (Paid Time Off)

Question

Is your vacation accrual tied to years worked?



FACT:

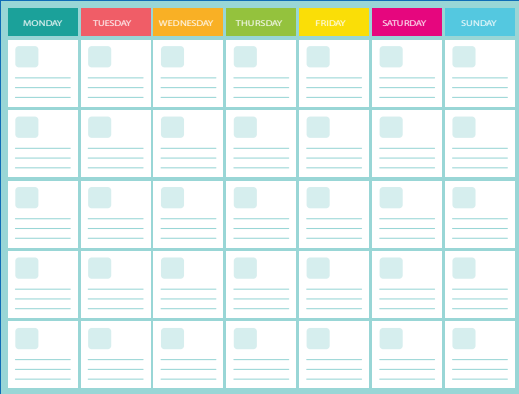
We all know that taking vacation benefits us physically and mentally. However, did you know it also helps with family bonding? Beyond the stress and struggle that can come with a family vacation, building memories and shared experiences outside the norm of everyday life can have benefits that outweigh that stress.

BENEFITS

VACATION / PTO

Question

How much paid vacation/PTO does your organization offer STARTING employees?



Question

How is eligibility for PTO defined?



FACT:

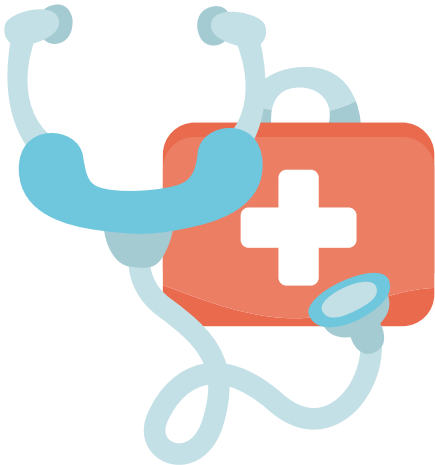
Employees who take regular time off to relax and reboot are less likely to experience burnout. When employees take time for themselves it can help make them more creative and productive than their overworked, under-rested coworkers.

BENEFITS

SICK LEAVE

Question

If you offer dedicated sick leave, how much paid sick leave does your organization offer STARTING employees?



Question

Is your sick time accrual tied to years worked?



Question

If your organization provides PTO, do you also have an emergency or extended sick leave bank?



FACT:

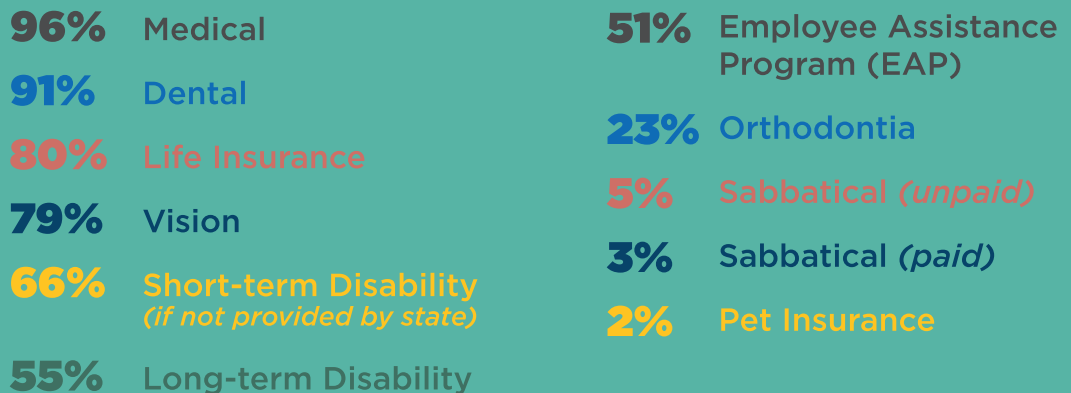
The typical worker earns an average of 8 days of paid sick leave, however, the typical worker takes an average of 14 total sick days; 10 days off for their own illness and 4 to care for sick family members. (According to the U.S. Bureau of Labor Statistics and <http://www.ahrq.gov>)

BENEFITS

TYPES OF BENEFITS

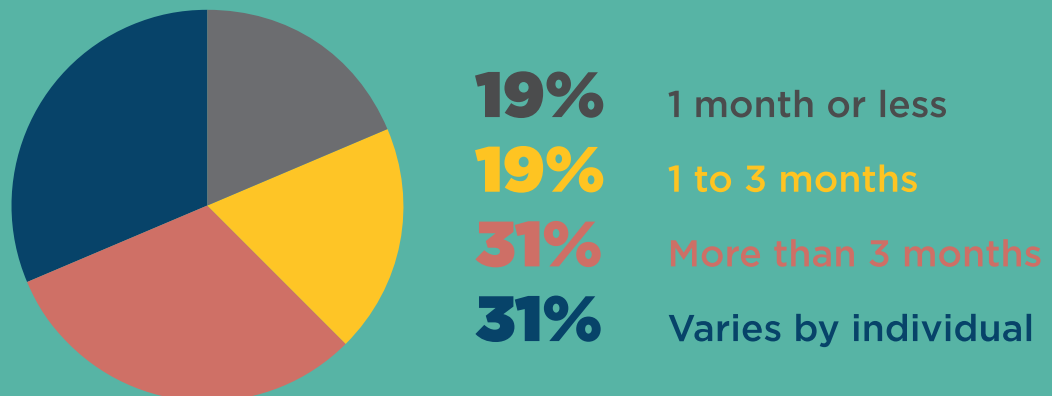
Question

Does your organization provide any of the following benefits?



Question

If you offer a sabbatical, what is the maximum length?



FACT:

An employee benefit study reported that 90% of employees find healthcare, flex time and more vacation time to be the most valuable benefits to employees.

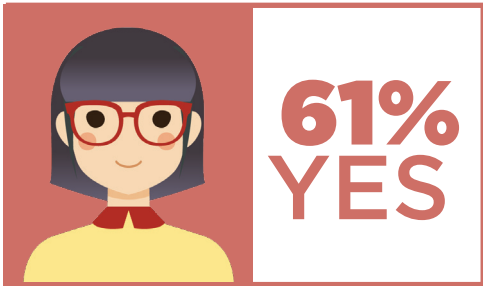
(<http://www.frac.tl/employee-benefits-study/>)

BENEFITS

TELECOMMUTING

Question

Does your organization allow telecommuting?



Question

If your organization allows telecommuting how many employees currently telecommute?



80% less than 10%

9% 10% - 15%

7% 16% - 25%

3% 26% - 49%

1% 75% or more

TIP:

Allowing employees to telecommute can be a great way to help employees have a healthy work/life balance. Ensure you develop clear policies and procedures. Define which positions lend themselves to the possibility of telecommuting as well as those that do not.

BENEFITS

TELECOMMUTING

Question

Does your organization have a formal policy and procedure for telecommuters?

YES
78%

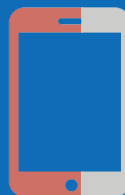


NO
22%

Question

Does your organization provide equipment for those who telecommute?

YES
41%



NO
59%

Question

Does your organization reimburse for monthly expenses such as telephone/internet connection?

YES
63%



NO
37%

TIP:

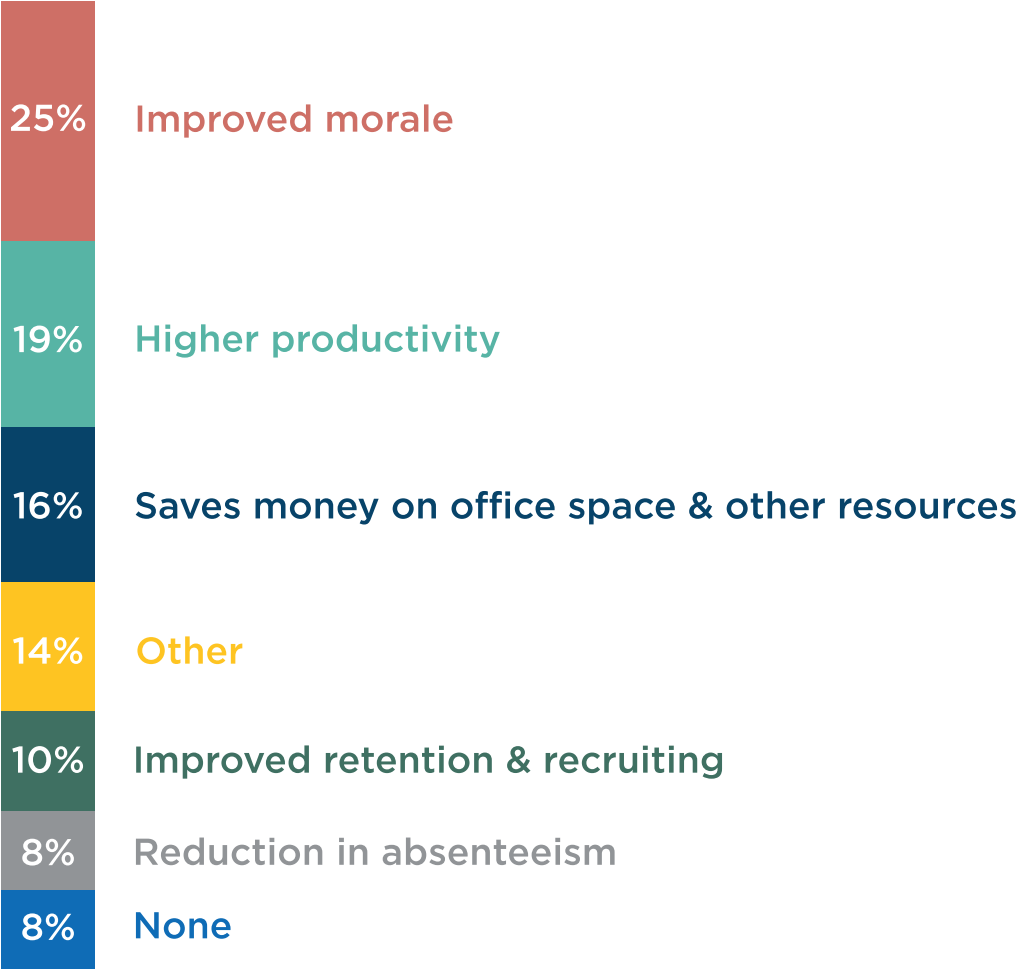
Keep communication strong with employees that telecommute and/or work remotely. Don't forget about overtime and workers compensation with nonexempt employees. Those are two of the biggest areas organizations forget about when developing their telecommuting policies and procedures.

BENEFITS

TELECOMMUTING

Question

Which of these benefits does your organization realize from offering telecommuting?



FACT:

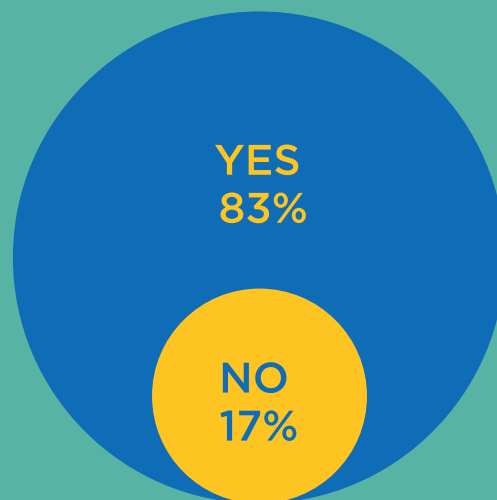
8 in 10 employees consider telework a job perk. (*Global Workplace Analytics analysis and stats as of Sept. 2015*)

BENEFITS

PROFESSIONAL DEVELOPMENT

Question

Does your organization offer and pay for professional development courses?



Question

If yes, must it be closely related to the employee's current position?



77%
YES

23%
NO

TIP:

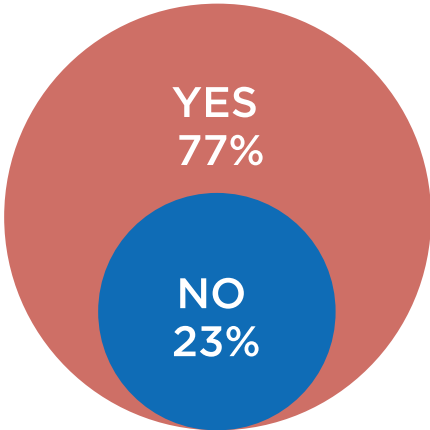
The benefits of encouraging and supporting your staff's professional development are many. Effective staff development sends the message that you care about your staff beyond what their current job entails. It can also result in organizational loyalty, retention and higher employee engagement which can increase productivity and customer service.

BENEFITS

TUITION REIMBURSEMENT

Question

Does your organization offer tuition reimbursement?



Question

What is the maximum amount of reimbursement?



11%	Less than \$1,000
29%	\$1,000 - \$1,999
13%	\$2,000 - \$3,999
8%	Over \$4,000
28%	No defined maximum
11%	Varies by recipient

TIP:

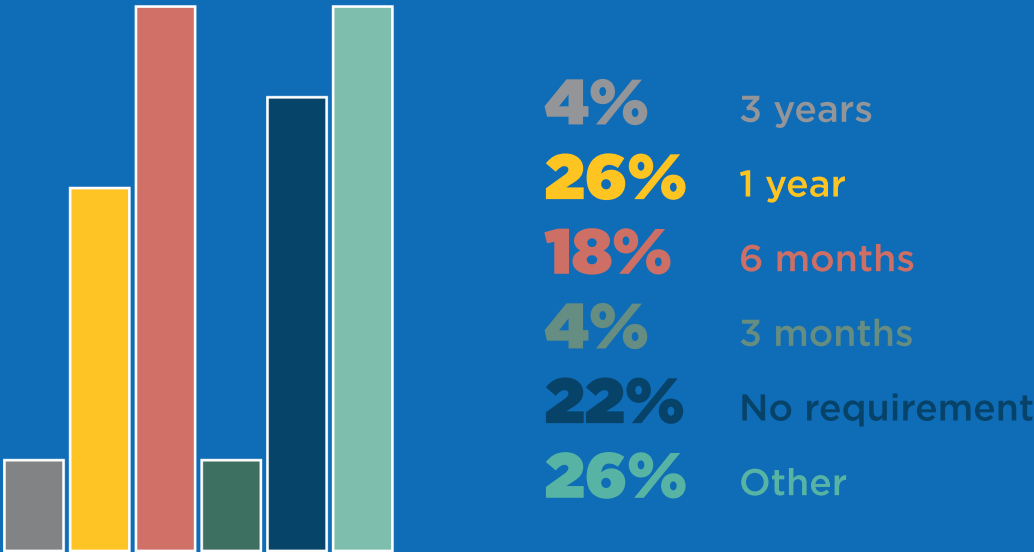
If your organization offers Tuition Reimbursement, we suggest having a written policy outlining the criteria for the reimbursement as well as what is covered, the dollar amount included. Also, clarify what responsibilities the employee has regarding grades, course length and content, and what happens if they leave before the successful conclusion of the course.

BENEFITS

TUITION REIMBURSEMENT

Question

How many years does an employee have to work at your organization to earn tuition reimbursement?



Question

Does the employee have to meet a minimum of years worked for the organization to earn tuition reimbursement?

33% YES **67% NO**

TIP:

Student Loan Reimbursement or Loan Repayment Assistance programs are a new growing trend in employer-provided benefits. These programs can be a powerful recruitment and retention tool.

ENGAGEMENT

PERFORMANCE APPRAISALS

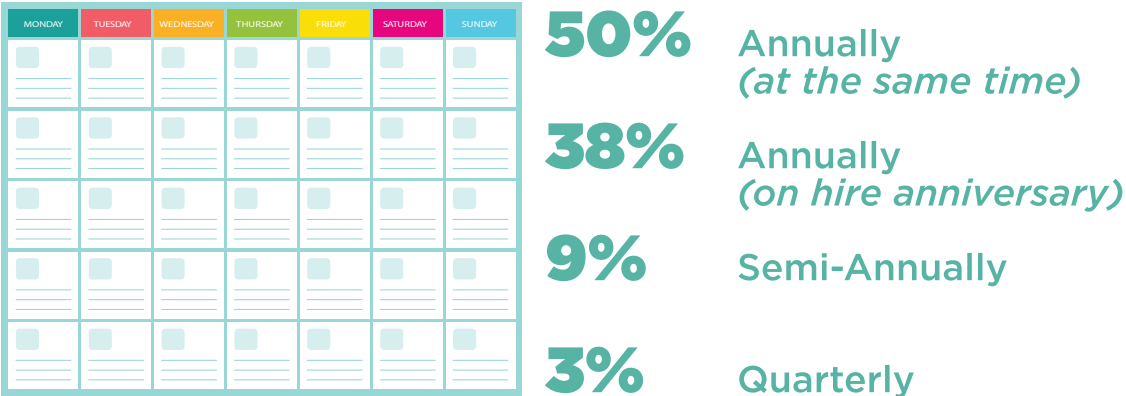
Question

Does your organization do performance appraisals?



Question

How often do you perform performance appraisals?



TIP:

Learning how to communicate openly, honestly and frequently with employees can be a difficult challenge for many managers. The ability to give consistent, objective and constructive feedback is the backbone of a successful relationship between an employee and a supervisor. Constructive feedback is descriptive of behavior and impact. It is specific, not general and should be directed at behavior that can be changed. Ensure that the feedback is measurable, balanced and interactive.

ENGAGEMENT

PERFORMANCE APPRAISALS

Question

Does your performance appraisal process allow for an employee to evaluate their manager?



26%
YES

74%
NO

Question

Does your organization do 360 degree evaluations?

21%
YES

79%
NO

Question

Does your organization do stay interviews?

14%
YES

86%
NO

TIP:

Daily or weekly feedback to your employees isn't just a good idea for your staff; it's beneficial to the whole team. When we hear frequently how we are doing as employees, it can often encourage us to work harder and be more engaged. Frequent honest dialogue between supervisors and their employees helps relieve some of the stress associated with the Annual Review.

ENGAGEMENT

DRESS CODES

Question

What is your dress code?



TIP:

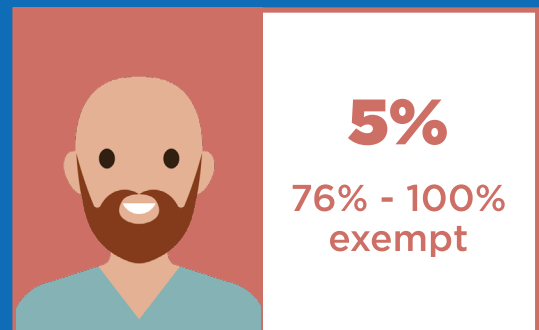
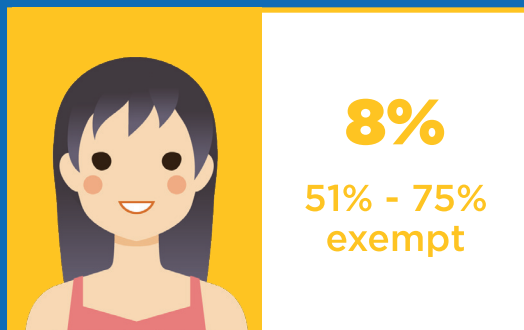
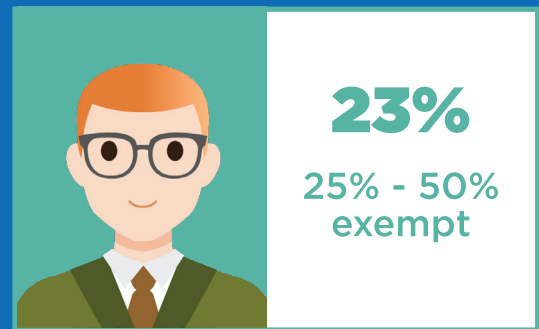
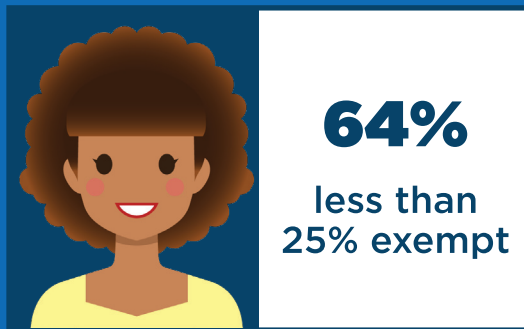
What we and our coworkers wear to work portrays the culture of our workplace. What is the non-verbal message you, as an organization, want to communicate? Once you have defined your message, put it in writing. Provide guidelines to clarify expectations for grooming; what is and what is not acceptable to wear, and include any consequences for not following the policies. Be careful to ensure your policy is inclusive, nondiscriminatory and applies to each and every employee.

WAGE & HOUR

EXEMPT & NONEXEMPT

Question

What percentage of your workforce is exempt (as defined by the FLSA)?



TIP:

There is no legal justification that needs to be made for a position to be classified as nonexempt even if legally, the position qualifies as exempt. Remember though, there IS legal justification that needs to be made for a position to qualify as exempt. There is a three pronged test and ALL three areas must be met.

WAGE & HOUR

OVERTIME RULE

Question

Prior to the November 2016 FLSA injunction, what did your organization decide to do?



28% Convert exempt to nonexempt
(pay hourly with overtime)

10% Convert exempt to nonexempt
(pay salary with overtime)

17% Increase the salaries of current exempt
to meet new salary level

27% Increase salary of some and converted
some to nonexempt

18% None of the above

TIP:

Don't forget about the option for an employee to be salaried and nonexempt. If you need to reclassify an exempt employee as nonexempt and you are confident that the hours worked by that employee are unlikely to fluctuate from workweek to workweek, it can be an easier transition to continue to pay that employee on a salary basis. Remember though, salaried nonexempt employees must still be paid for any overtime hours worked, whether over 40 in a workweek or over 8 in a day, depending on your state.

WAGE & HOUR

OVERTIME RULE

Question

After the FLSA injunction, how did your organization respond?



61%

We followed through with our original plans and made adjustments that would have put us in compliance.

39%

We tabled our changes and did not put them in place.

FACT:

1938: The Fair Labor Standards Act of 1938 (FLSA) was signed into law. \$0.25 was the minimum wage.

1940: The minimum salary level for exempt workers was established at \$30 a week / \$1,560 per year.

HR SERVICES IS HERE TO SERVE YOU

(800) 358-2163 | hrservices@501c.com

TOP 5 REASONS TO CALL

Advice with a difficult HR situation

Up-to-date legislative information

Sample policies & forms

Hiring, discipline, terminations

Sound, unbiased knowledge from HR professionals familiar with the challenges of running a nonprofit organization





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