



501(c)
SERVICES

2020 HR PRACTICES SURVEY

WELCOME!

Hello and welcome to our 2020 HR practices survey. Thank you to those of you who took the time to take the survey! We, and your peers, thank you.

It's not uncommon for users of our HR Services program to ask what other nonprofits are doing. Whether it's regarding PTO, hiring, or how competitive they are in terms of salaries and benefits offered, most of us like to know how we stack up against our peers.

Like the 2017 survey, we have once again focused on five subject areas: Benefits, Engagement, Hiring, Separations, and Wage & Hour. We have also added several new areas. While there were no big surprises, we did have some small insights and changes from 2017. Curious? Turn the page and dig in. We would love to hear back from you regarding what surprised you or left you wanting more information.

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

Enjoy,

The HR Services Team

HR SERVICES IS HERE TO SERVE YOU

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

TOP 5 REASONS TO CALL

1. Advice with a difficult HR situation
2. Up-to-date legislative information
3. Sample policies & forms
4. Hiring, discipline, terminations
5. Sound, unbiased knowledge from HR professionals familiar with the challenges of running a nonprofit organization

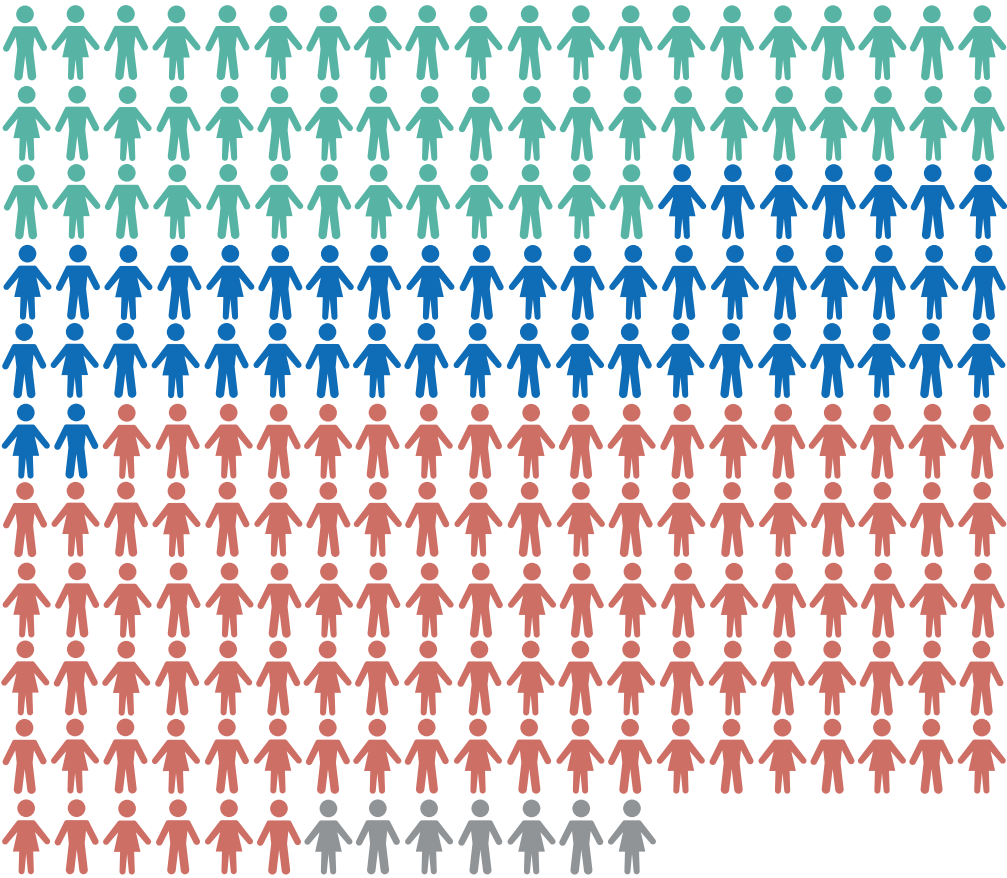


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SURVEY RESPONDENT DATA

214 organizations

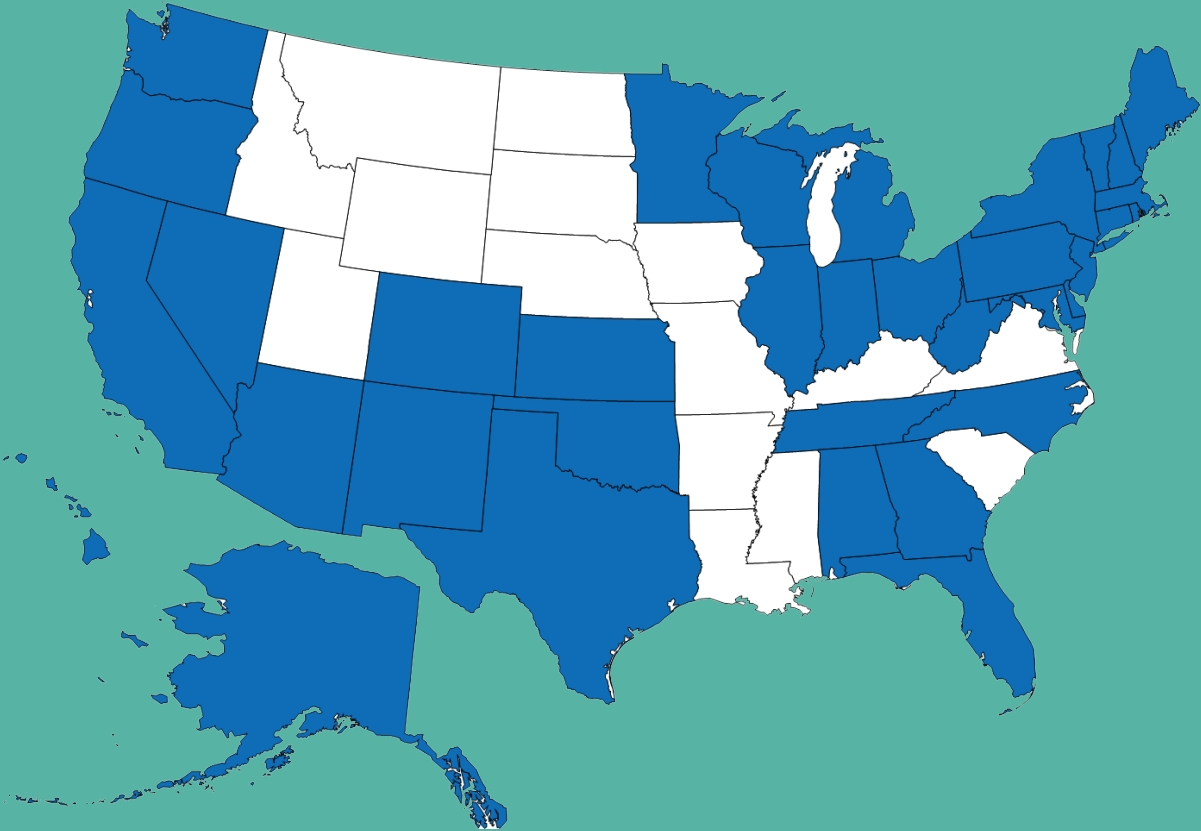


25% CEO
23% Finance

49% HR
3% Other

SURVEY RESPONDENT DATA

34 states



SURVEY RESPONDENT DATA

EMPLOYEE INFORMATION

Question

How many employees does your organization have?

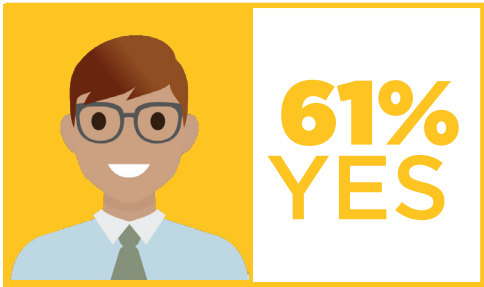


22% 0 - 25
19% 26 - 50
20% 51 - 100

25% 101 - 250
9% 251 - 500
5% 500+

Question

Does your organization have a dedicated HR professional on staff?



FACT:

In our last HR Practices Survey, we reported that the average HR-to-employee ratio is 1.5 HR professionals for every 100 FTEs (full time equivalents). While this may still be the norm, it doesn't always make sense if your organization is growing rapidly and/or expanding services. A "Workforce Analytics" survey shows a higher ratio, 3.4 HR employees per 100 FTE positions. Take a look at the link below.

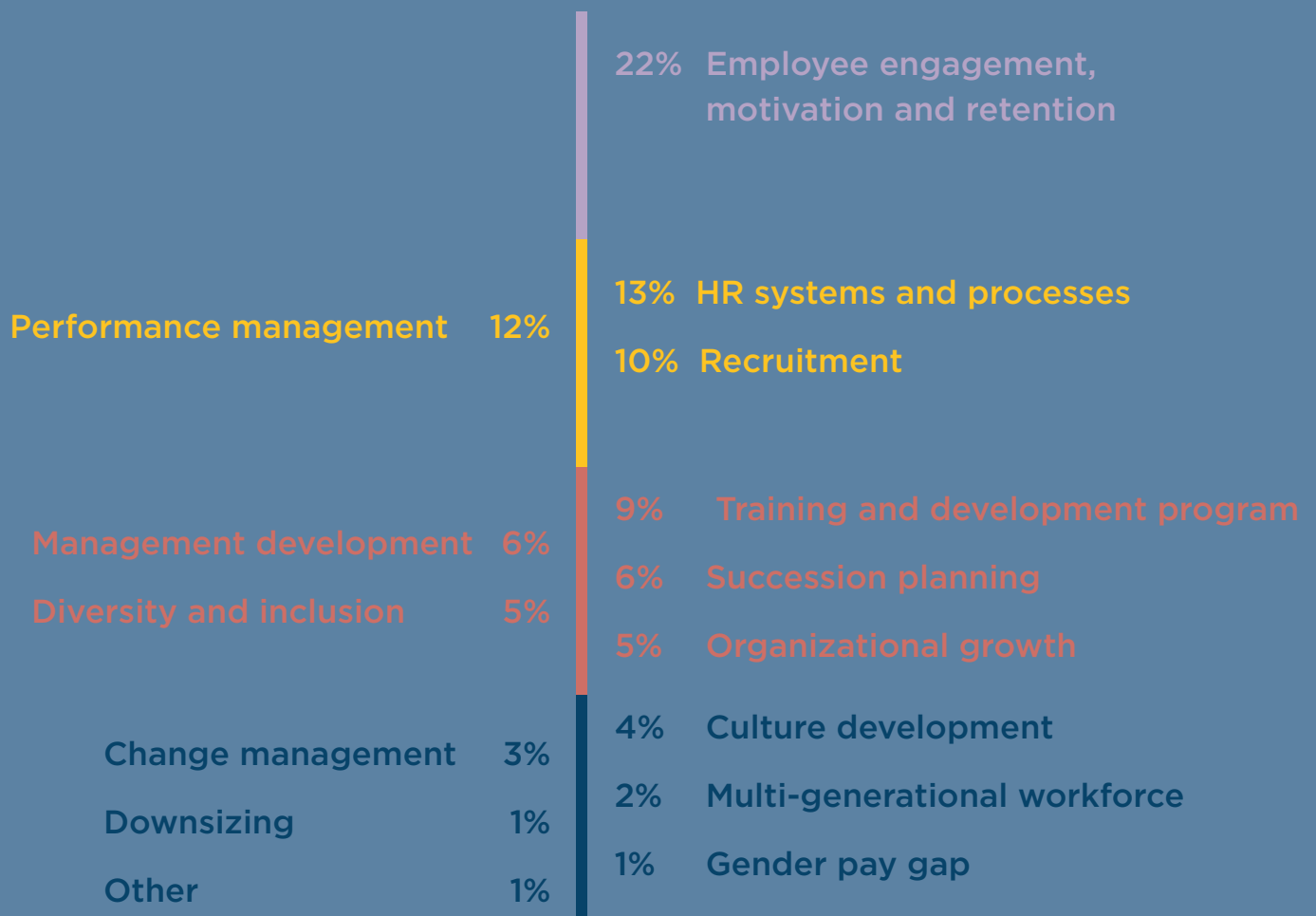
Source: <https://www.shrm.org/ResourcesAndTools/business-solutions/Documents/Organizational%20Staff%20Size.pdf>

GENERAL

KEY BUSINESS ISSUES

Question

What are the current key business issues that your organization is looking for HR to address?



TIP:

Study after study tells us if we don't communicate clearly, openly, and often with all levels of employees, they won't feel a sense of connectedness or belonging. As leaders in your organization, it is paramount to build a culture of inclusiveness and help all employees understand every one of them fits into the puzzle. How frustrating is it to have a puzzle with two missing pieces? It isn't complete and it doesn't feel or look right.

BENEFITS

TYPES OF BENEFITS

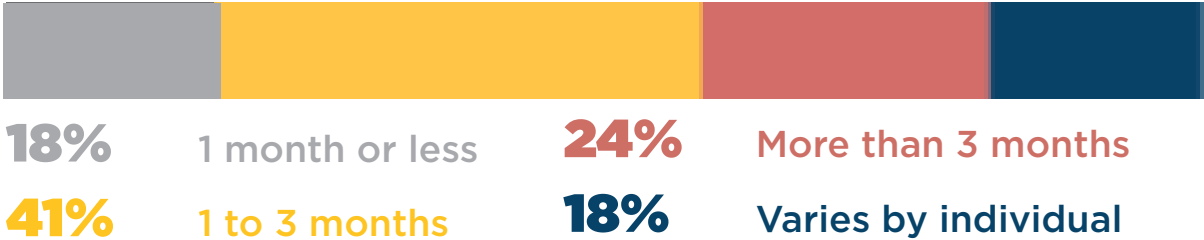
Question

Does your organization provide any of the following benefits?

94% Medical	23% Orthodontia
89% Dental	20% Paternity Leave - unpaid <i>(additional of state and federal leave)</i>
76% Retirement	10% Paternity Leave - paid <i>(additional of state and federal leave)</i>
73% Life Insurance	7% Sabbatical <i>(unpaid)</i>
73% Vision	6% Student loan repayment assistance
53% Long-term Disability	5% Pet insurance
48% Employee Assistance Program (EAP)	3% Long-term care assistance
38% Short-term Disability <i>(if not provided by state)</i>	3% Sabbatical <i>(paid)</i>

Question

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



FACT:

According to PricewaterhouseCoopers (PwC), money causes the most stress in the lives of almost 60 percent of employees. Financial wellness programs are a hot trend in the employee benefit arena and tend to be appealing to all generations in the workforce. This can include an unbiased financial counselor to help with planning, saving and budgeting. Often times, this service can be included in your Employee Assistance Plan (EAP) at minimal cost.

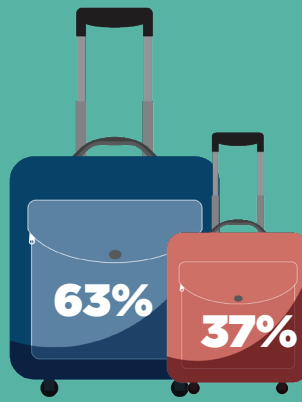
BENEFITS

VACATION / PTO

Question

What type of vacation benefit do you offer?

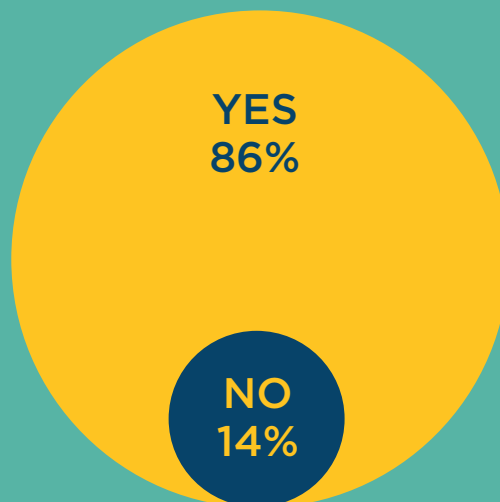
Separate Vacation
and Sick Time



PTO (Paid Time Off)

Question

Is your vacation accrual tied to years worked?



TIP:

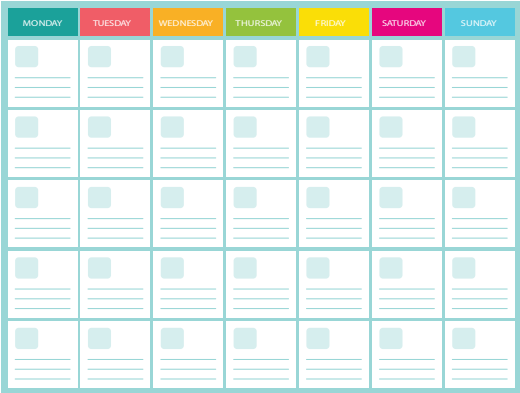
Vacation time or PTO, whichever you offer in your organization, is a high-value benefit. Make sure your culture encourages employees to use this benefit. Studies show that employees who take time off perform better, and those organizations have lower staff turnover. Promoting a healthy work/life balance is critical for a strong, successful organization.

BENEFITS

VACATION / PTO

Question

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



- 15%** 1 week
- 56%** 2 weeks
- 18%** 3 weeks
- 10%** 4 weeks
- 1%** 5 weeks

Question

How is eligibility for PTO defined?



- 69%** Hours worked
- 10%** Exempt level
- 13%** Other
- 7%** Length of Employment

FACT:

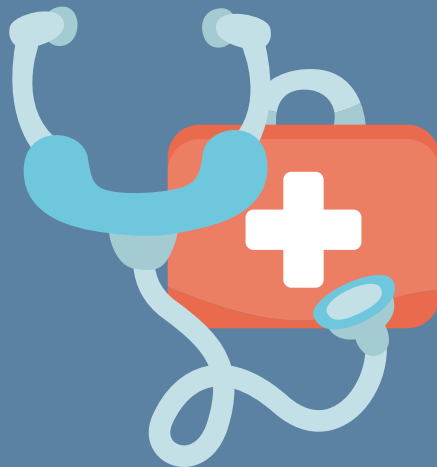
Americans used an average of 17.4 days of PTO, a slight increase from the 17.2 days in 2017, continuing a positive trend that started in 2015. However, there is still room for improvement, especially when compared to prior decades when Americans took up to 20 days off.

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:

Did you know older Americans take more time off than younger age groups? Around one-third of baby boomers (35%) and Gen X (31%) reported taking 10-19 days in 2018 compared to only one in five millennials (21%).

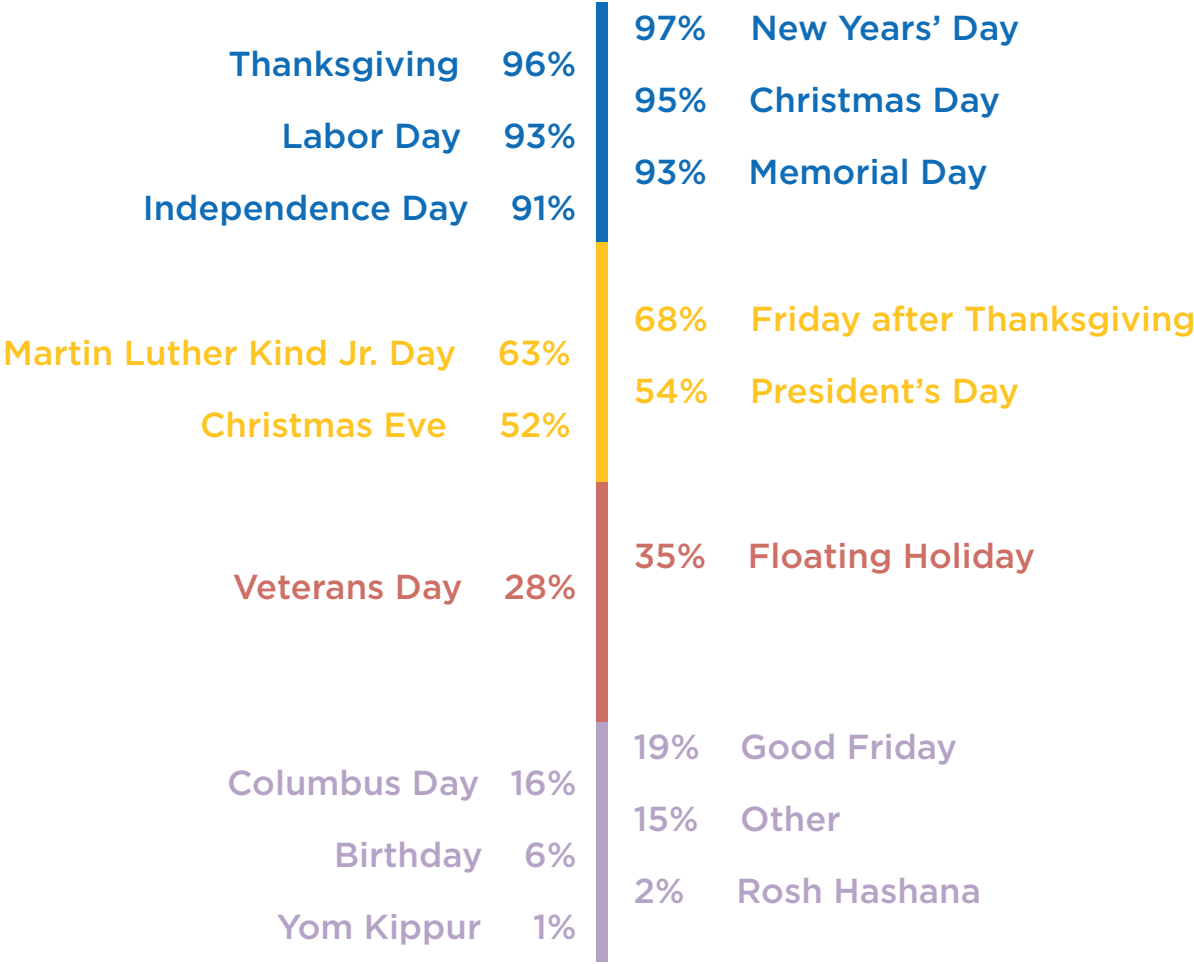
Source: Ipsos and Oxford Economics Methodology: Ipsos conducted an online survey January 22- February 3rd, 2019 with 1,025 American workers, age 18+ who work more than 35 hours a week and receive paid time off from their employer. These data were weighted and scaled.

BENEFITS

HOLIDAYS

Question

Which holidays does your organization offer?



TIP:

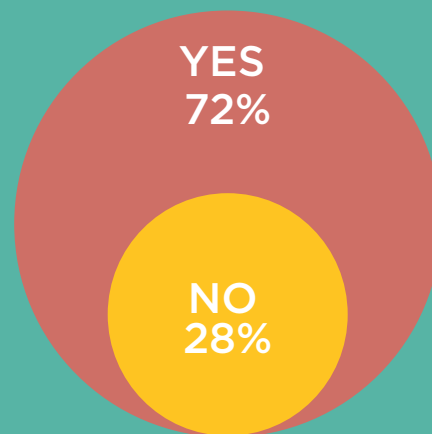
Every organization has its own unique culture. Consider tailoring your paid holidays to your individual organization with input from your employees.

BENEFITS

TUITION REIMBURSEMENT

Question

Does your organization offer tuition reimbursement?



Question

Does your organization provide programs to assist balancing the demands of families with children and/or elderly family members?

YES
40%

NO
60%



TIP:

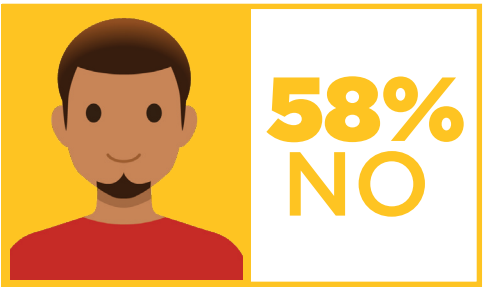
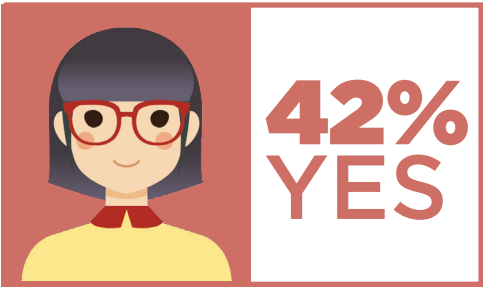
You may want to consider going beyond just the basics when it comes to benefits. Some of the trendiest benefits today include: workplace flexibility, telecommuting, tuition reimbursement, performance bonuses, increased professional development, and help with parental care.

BENEFITS

TELECOMMUTING

Question

Does your organization allow telecommuting?



Question

If your organization allows telecommuting how many employees currently telecommute?



80% less than 10%

11% 10% - 25%

6% 26% - 49%

2% 50% - 74%

1% 75% or more

TIP:

Telecommuting is alive and well in 2020. 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 positions that do not.

BENEFITS

TELECOMMUTING

Question

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

YES
22%

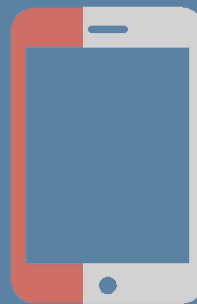


NO
78%

Question

Does your organization provide equipment for those who telecommute?

YES
40%



NO
60%

TIP:

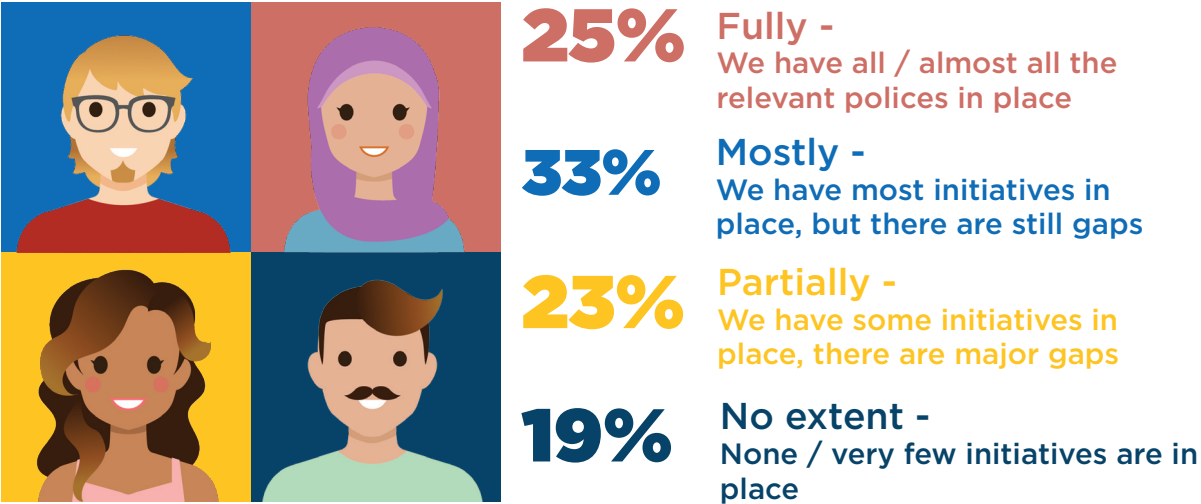
Don't forget about overtime and workers' compensation with nonexempt employees that telecommute and/or work remotely. Those are two of the biggest areas organizations forget about when developing their telecommuting policies and procedures.

DIVERSITY AND INCLUSION

STRATEGY

Question

To what extent do you have a formal strategy / policy for promoting diversity in your organization?



Question

Are you satisfied with how diversity is progressing in your organization?



FACT:

According to Josh Bersin, “Companies that embrace diversity and inclusion in all aspects of their business statistically outperform their peers.”

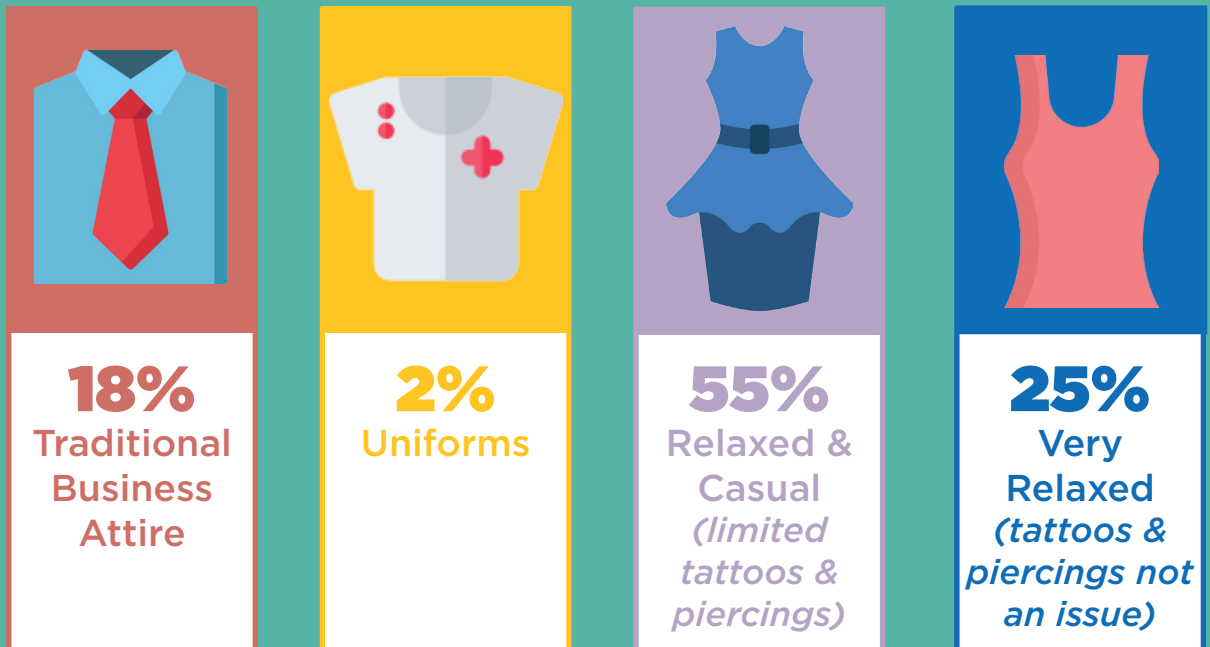
Check out these numbers: <https://builtin.com/diversity-inclusion/diversity-in-the-workplace-statistics>

ENGAGEMENT

DRESS CODES

Question

What is your dress code?



TIP:

Dress codes are a set of rules, defined clearly and simply, in writing, for what is acceptable and expected in your organization. We suggest including pictures in your handbook as to what is and is not allowable to wear to work. In the last decade, we have seen a shift to a much more casual approach to what we wear to work.

ENGAGEMENT

PROCESS

Question

Does your organization have a formal engagement process?

82%
YES

18%
NO



TIP:

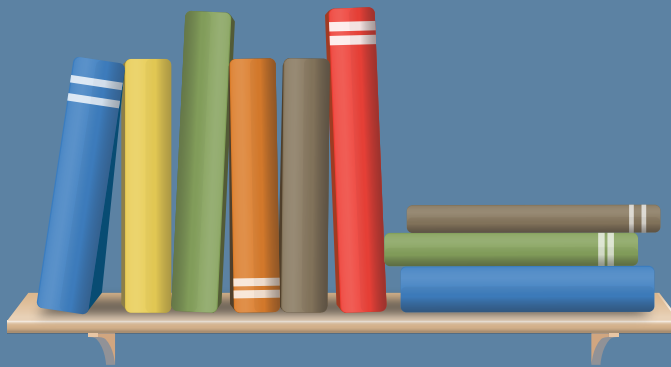
When your employees know that the job they do has meaning and impact, they are willing to tolerate some bumps. Open, direct, 2-way communication is the key. Investing time in your employees by sharing information, involving them in decisions when at all possible, and providing a clear line of sight from their job to the goals of the organization can minimize apathy and encourage engagement.

ENGAGEMENT

PROFESSIONAL DEVELOPMENT

Question

Does your organization offer and pay for professional development courses?



81%
YES

19%
NO

Question

What sort of development opportunities do you offer your workforce?

73%	Mentoring	47%	E-learning
68%	Training Seminars	32%	Off-site coursework
52%	Individual coaching	22%	Team coaching
58%	Leadership development	6%	Other

TIP:

Four points for effective leadership:

- Demonstrate integrity and trustworthiness.
- Engage with ALL levels of employees.
- Encourage employees to speak up and give them opportunities to be heard.
- Address all employee feedback, taking action as appropriate.

ENGAGEMENT

PERFORMANCE APPRAISALS

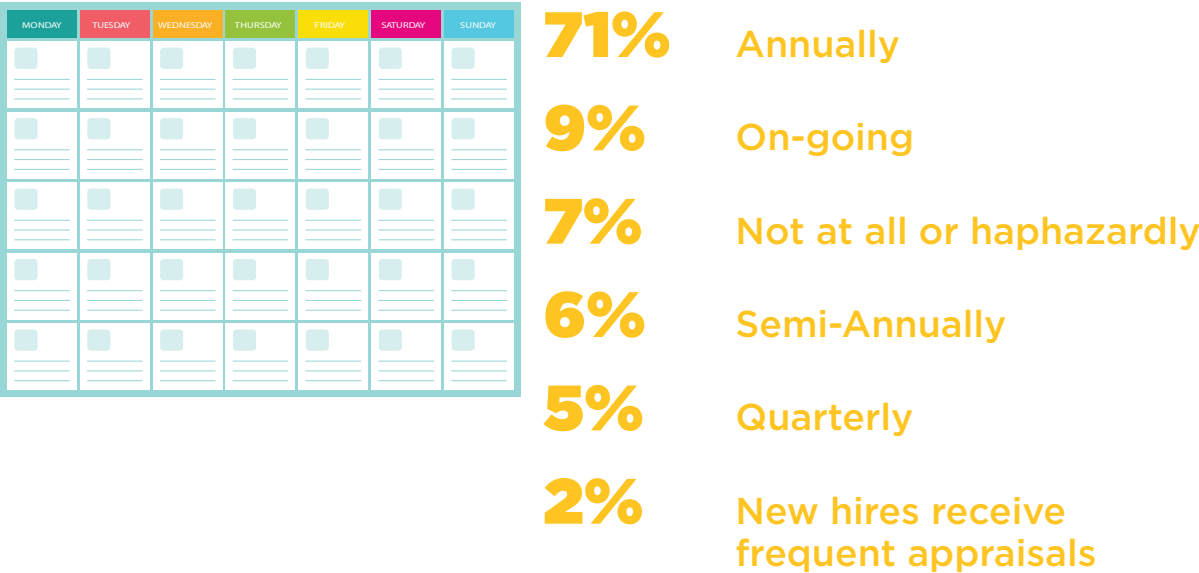
Question

Does your organization formally appraise performance?



Question

How often do you conduct performance appraisals?



TIP:

Our survey found that most respondent organizations perform traditional annual reviews. What we have learned through our HR Services users and our research is that ongoing reviews are gaining traction. Who wants to wait 12 months to find out how their performance stacks up? Encourage your organization to implement more frequent check-ins to discuss performance, goals, objectives, and other important issues.

ENGAGEMENT

STAY INTERVIEWS

Question

Does your organization do stay interviews?

YES
16%

NO
84%

Question

If yes, who sees the results of stay interviews?



- 36%** Executive Team
- 35%** Manager and HR
- 15%** HR only
- 14%** Other

TIP:

Stay interviews are a forward-thinking approach to obtaining information from top-performing, high-potential employees. The focus is on actively retaining and engaging those committed, diligent employees. They differ from exit interviews in that they are proactive rather than reactive.

ENGAGEMENT

PERFORMANCE APPRAISALS

Question

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



26%
YES

74%
NO

TIP:

Even though the survey results tell us that 90% of organizations conduct performance appraisals, it also shows that most HR professionals don't like how their organizations do performance appraisals. Most employees feel similarly. For more information visit the source below.

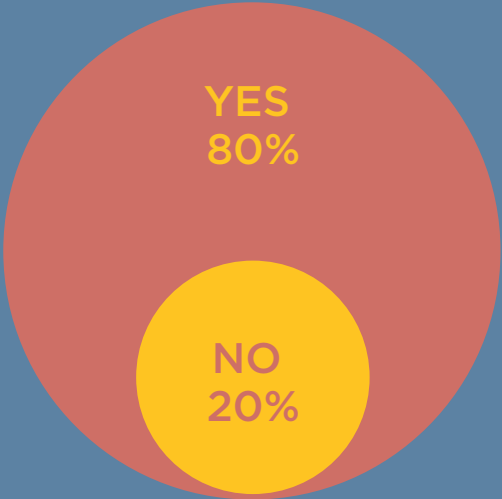
Source: https://www.washingtonpost.com/national/on-leadership/the-corporate-kabuki-of-performance-reviews/2013/02/14/59b60e86-7624-11e2-aa12-e6cf1d31106b_story.html

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?



TIP:

Having a team or committee approach to hiring can help to remove bias and assist you in creating a diverse workforce, as we all bring different views to work. Make sure you educate each team member as to what should and shouldn't be asked in an interview, and be thoughtful as these team members may be privy to personal information shared in an interview by a potential coworker.

HIRING

RECRUITMENT

Question

Does your organization engage external recruiting for your hiring needs?



15% YES every time

45% YES sometimes

40% NO

Question

If you utilize an external recruiter, how do you use them?



37%
Full time hires

36%
Executive search

27%
Temporary hires

TIP:

When writing a job posting, here are three things that can make a big difference:

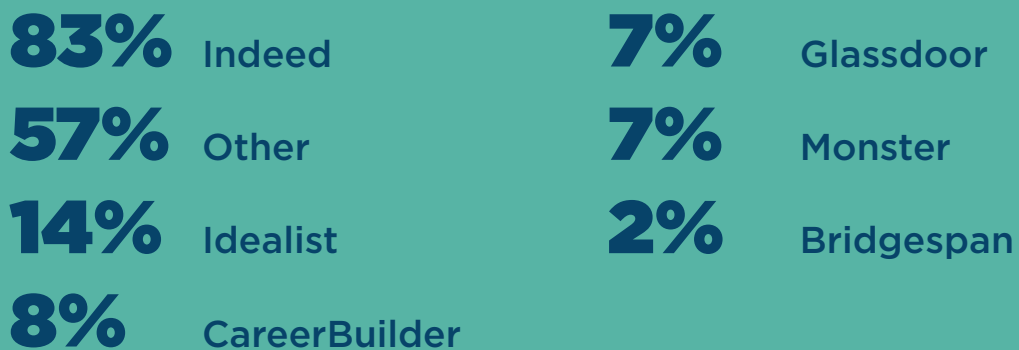
- The job title is what draws people in first. Make it attractive and true.
- Hook 'em! Use descriptive words and imagery when crafting your hiring ad. Tell a brief story of why your position and organization is THE place to work.

HIRING

JOB POSTINGS

Question

What job boards do you utilize to advertise openings?



Question

Where do you post positions on social media?



TIP:

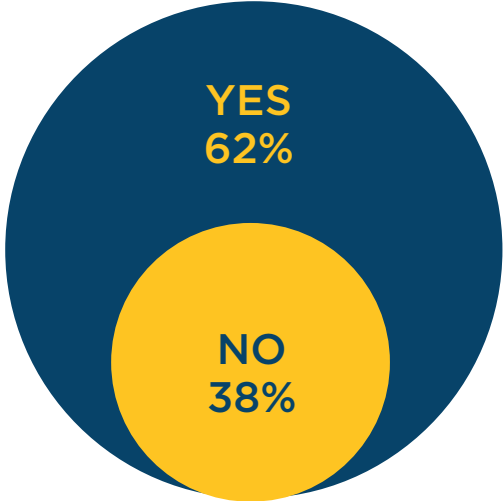
Respond to each and every applicant whether they are qualified for the position or not. Be clear, be kind and be personal in each communication with your candidates. Their first encounter should be a good one.

HIRING

TIME TO STAFF

Question

Is your organization having difficulty keeping staffed?



Question

How long is it taking to find qualified front line employees?



FACT:

According to the LaSalle Network survey of 4,000 HR leaders, 63% reported that they find it difficult to very difficult to find qualified candidates.

HIRING

ONBOARDING AND SENIOR LEADERSHIP HIRING

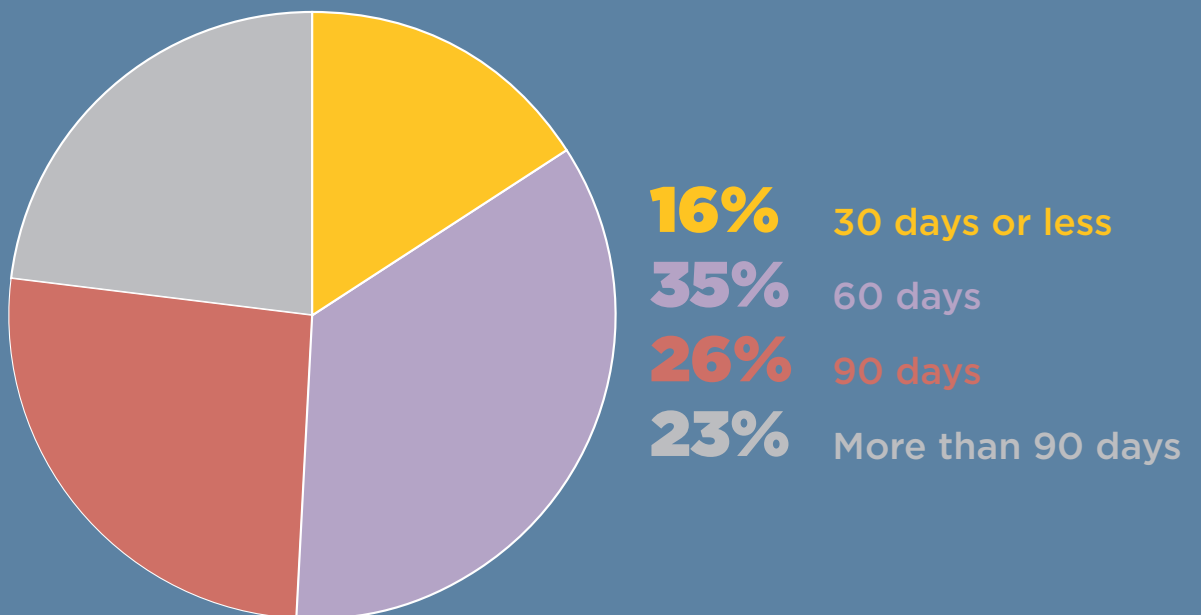
Question

Do you have a formal onboarding process?



Question

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



TIP:

Filling positions in our current candidate-driven markets costs more and takes longer. Remember that when you are talking with a candidate, they are likely to be interviewing with other organizations as well. Think proactively what you can do to market why your organization is the better opportunity.

POLICIES AND PROCEDURES

POLICIES

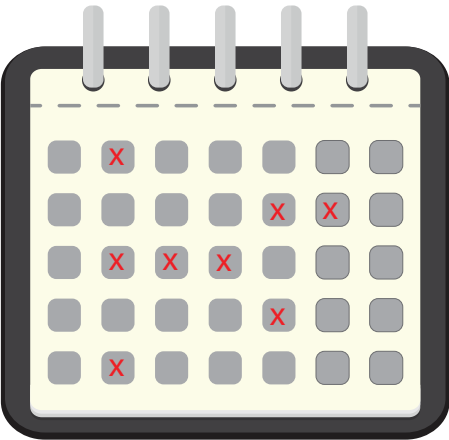
Question

Do you have a progressive discipline policy?



Question

Do you have a policy on absenteeism?



59%
YES

41%
NO

FACT:

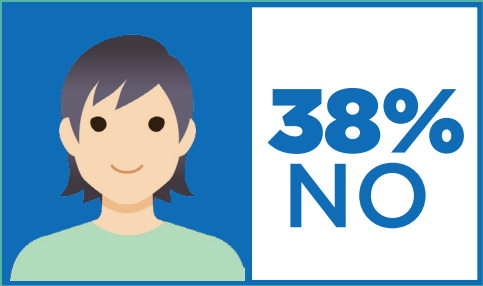
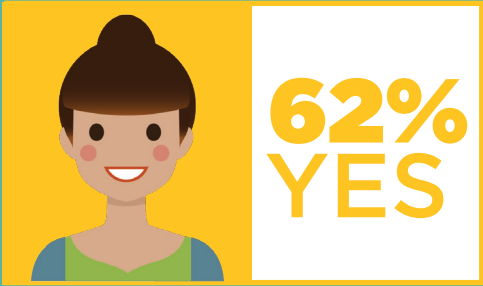
Employees who are not engaged or who are actively disengaged have a high level of absenteeism. It's critical to find the underlying causes of their disengagement. Identifying and tackling the underlying issues of employee absenteeism can yield positive rewards for both the employee and the employer.

SEPARATIONS

EXIT INTERVIEWS

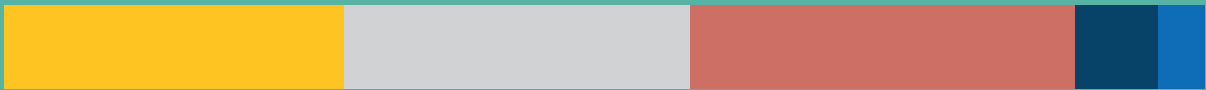
Question

Does your organization conduct exit interviews with all departing employees?



Question

Who sees your exit interviews?



28% Executive Team

28% HR Only

31% Manager & HR Only

8% Other

5% Board

TIP:

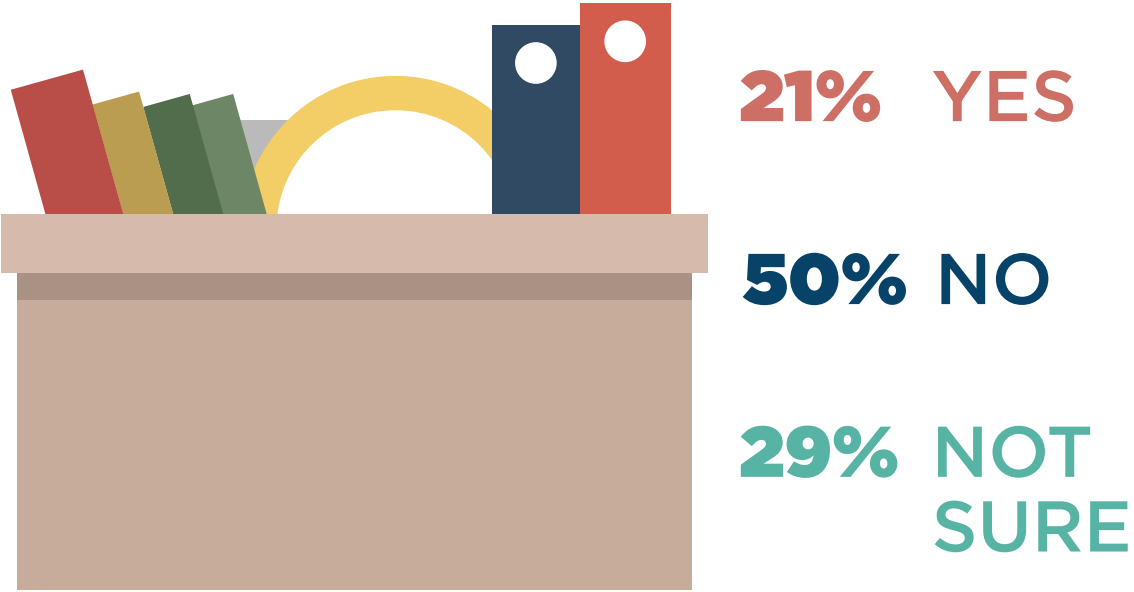
We've all heard of exit interviews and most of us have either conducted one or been on the receiving end of one. Typically an exit interview happens on the day the employee is departing. That's fine. Consider following up with that employee six months later. Many employees may be a tad nervous to be totally honest as they are leaving for a new job. After six months, they are firmly ensconced and are more likely to give you the real scoop.

SEPARATIONS

POSTMORTEMS

Question

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



TIP:

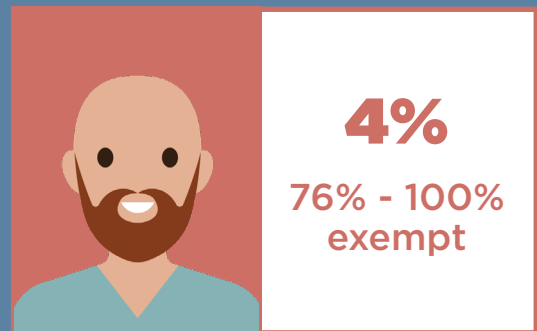
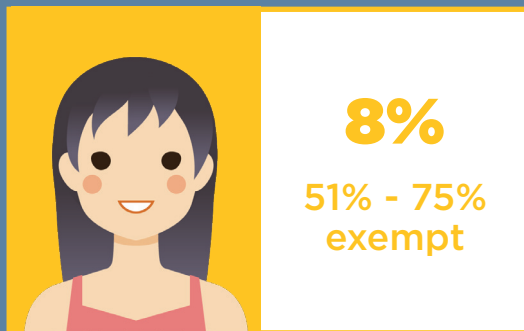
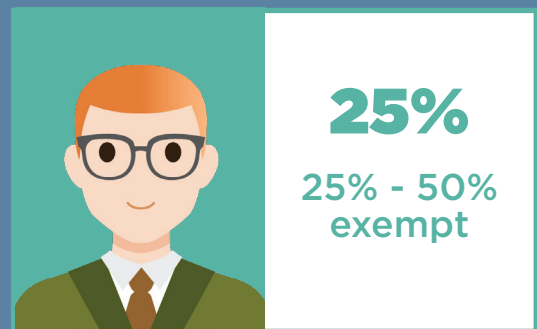
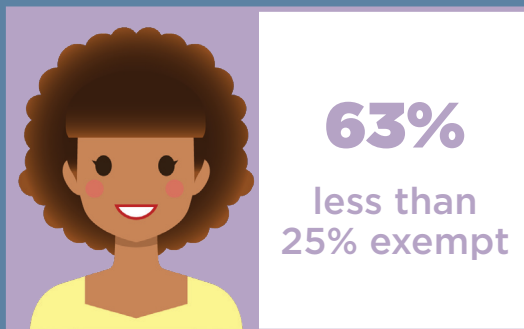
A “postmortem” offers an opportunity for you to review the termination (or any separation, both voluntary and involuntary) from multiple sides. Was the employee a bad hire? Did the employee get the help, support and structure they needed to do their job well? Did we provide opportunities for advancement and growth? Did we have the right person in the wrong position? Did we wait too long to start the corrective action process? These are just a few good questions to ask after each separation.

WAGE & HOUR

EXEMPT & NONEXEMPT

Question

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



FACT:

According to the U.S. Bureau of Labor Statistics, nearly 59% of the U.S. workforce is nonexempt and paid on an hourly basis. Age and education level play the largest part in who is paid by the hour. A living wage and active engagement play a large role in retaining your nonexempt employees.

WAGE & HOUR

OVERTIME RULE - REVISED EXEMPT SALARY LEVEL

Question

With the finalized new Overtime Rule, what will your organization do?



23% Increase the salaries of current exempt to meet new salary level

22% Convert exempt to nonexempt (pay hourly with overtime)

20% Increase salary of some and converted some to nonexempt

9% All exempt current qualify under the newly proposed overtime rule

4% Convert exempt to nonexempt (pay salary with overtime)

22% None of the above

FACT:

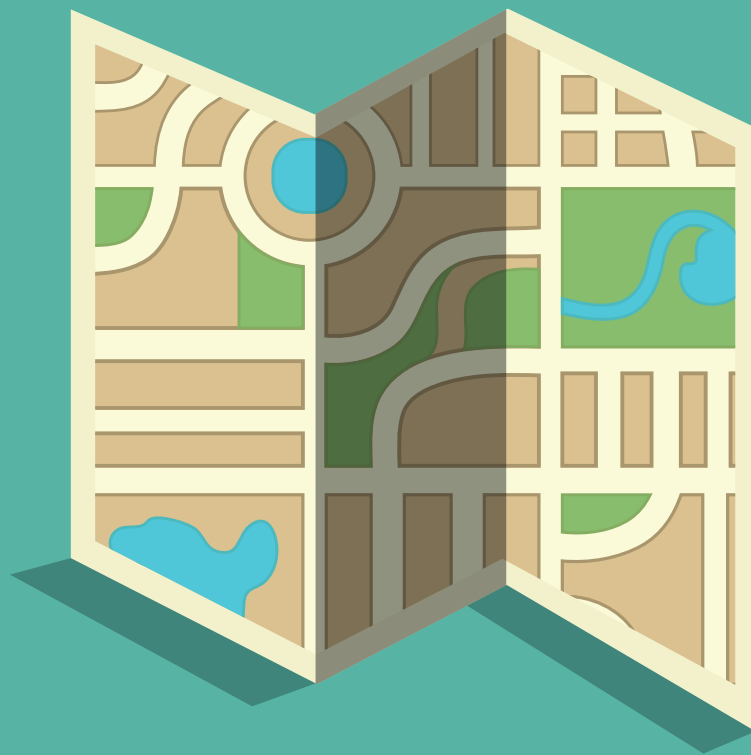
The FLSA was created in 1934 by President Franklin D. Roosevelt. However, it wasn't enacted until October 1938. The federal minimum wage was set at \$0.25 an hour, and the 8-hour work day and 40-hour work week became the standard.

WAGE & HOUR

WAGES

Question

Do you have difficulties assessing appropriate wages for positions in your geographic location?



36%
YES

64%
NO

FACT:

In 1912, Massachusetts was the first state to set a minimum wage that was applicable to women and children (under age 18). In 1913, eight states followed Massachusetts' lead and set their own state minimum wage: California, Colorado, Minnesota, Nebraska (later repealed), Oregon, Washington, and Wisconsin.

501(c) SERVICES

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