Remuneration Challenges and Successes in Post-Recessionary Times - Case Studies in the Community, Voluntary and Charities sector, 2018

Executive Summary

Following on from the recession, which saw huge losses for the non-profit sector in terms of funding and staffing (a funding loss of 35% - 40% and a staffing drop of 31%, according to work carried out by Brian Harvey on behalf of The Community Foundation for Ireland), there has been much anecdotal evidence that some organisations are getting back on track, while others are continuing to experience challenges.

The Community Foundation for Ireland commissioned a series of case studies to explore the experiences of sector members with regard to current remuneration challenges and successes.Interviews were conducted in 11 organisations, which were chosen on a random basis to represent different size organisations, different activities and different locations.

The participants were engaged in providing services in one or more of the following areas: Arts & Culture; Childcare; Domestic Violence; Drugs; Education & Training; Elder Care; Health; Housing & Homelessness; International Development. Two of the organisations had less than five employees; one had between six and 19 employees; four had between 20 and 49 employees; one had between 50 and 99 employees and three had over a 100 employees. Seven of the organisations were Dublin based.

Challenges

The interviewees highlighted a number of ongoing challenges within the sector, some of which have been known for some time, and were referred to as far back as the 2000 Government White Paper. (White Paper on a Framework for Supporting Voluntary Activity and for Developing the Relationship between the State and the Community and Voluntary Sector, 2000.)

The on-going challenges include: Uncertain and insufficient funding; complexity of funding arrangements; no funding provided for the running of the organisation; the need for HR staff, advice and representation; pay restoration; staff welfare; retaining and attracting staff; lack of career progression; pension costs, etc.

Innovations

Examples of how the interviewed organisations have addressed some of these challenges include:

Developing a Graduate/Intern programme; developing links with universities; introducing flexi-time; introducing unpaid leave of 4-8 weeks for those with 3 years+ services, to help retain and attract staff.

Others have explored trade-offs that will not permanently add to the salary bill e.g. such as providing career development opportunities, or granting a one-off extra day’s annual leave.

In terms of addressing the absence of HR support, some organisations have set up networks where information and advice is shared, while others have recruited Board members with HR backgrounds. Communications have been improved through the introduction of an intranet system.

Pay Developments

The interviewed organisations experienced the impact of the recession in different ways. Pay and/or increments were frozen in all of the organisations. Four organisations cut pay and a further two organisations cut pay for new entrants only. Four organisations implemented redundancies and two reduced working hours for at least some staff. The focus for the interviewed organisations overall was on preserving front-line service delivery.

With regard to pay increases since the recession (around 2015 onwards), the interviewed organisations also responded in different ways, with increases ranging from 0% (with a couple of exceptions for particular staff) in four organisations, to an increase of 25% over four years in one organisation. Three organisations had given two increases since the recession, two had given three increases and one had given one increase in the last three to four years.
Lessons Learnt

Lessons learnt by the interviewed organisations included:
- as an organisation grows so too does the need to understand the management of people; short-term changes may cause long-term problems; the importance of minding your staff; and the importance of having proper HR support.

Looking Forward

Looking towards the future what organisations stated they wanted includes:
- better education of the public about the sector; the provision of funding on a multi-annual basis and greater consistency across funding stream provisions; Section 39 pay restoration; for The Community Foundation for Ireland’s Pay & Benefits survey to continue; the outsourcing of fundraising for small organisations; etc.