

*Is the nonprofit sector losing*

*its most creative workers?*

*Is there a way to reverse this trend?*

*New research supplies the key.*

## Quality Service

**L**ike many nonprofit organizations, Opportunity Village has come face to face with a financial crisis. Based in Las Vegas, Opportunity Village has seen its government funding slashed over the last few years. At the same time, its sales of goods and services have stagnated. Yet its clients (people with mental retardation and their families) need more services than ever.

"We have two ways we can react to this crisis," says executive director Edward R. Guthrie. "We can hunker down, circle the wagons, and weather it out. Or we can find new, more efficient ways to provide services to people."

Opportunity Village has chosen the latter course. First, Guthrie and his staff conducted extensive research into the practices of successful service providers, both for-profit and nonprofit. Using these research results, they searched for ways to put "service" and "community" back into the nonprofit organization.

The first step, Guthrie says, is to view people who use your services as *consumers*. Calling them "consumers" goes beyond semantics; it signals a vital change in perspective. As everyone knows, the consumer is always right. Thus, the switch in outlook means that the organization will always put their consumers first.

The next step is to assure good staff to meet consumers' needs. To give quality service, quality staff is a must. This fact, however, pinpoints a tragedy of today's nonprofit sector. Guthrie's research has turned up a universal problem within the nonprofit sector: "the loss of our best, most creative workers."

A black and white photograph of a hand holding a key on a string. The hand is positioned at the top, with fingers wrapped around the string. The string hangs down, ending in a key. The background is a plain, light color.

Your  
Staff  
Holds  
the  
Key

*Opportunity Village is the largest provider of vocational training and employment services to people with mental retardation in the state of Nevada. For more information, contact Edward R. Guthrie, Executive Director, Opportunity Village ARC, 6300 West Oakey Boulevard, Las Vegas, Nevada 89102 (fax 702-259-3753).*

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*Opportunity Village has had great success in helping people find productive jobs in the community. The first step is “to view people who use your services as consumers.”*



**Problem:  
We’re Losing Our Best Workers**

“Because of budget cuts,” says Guthrie, “many of us in the nonprofit sector have been forced to freeze salaries, lay off staff, and cut back on job training. Some of us try to avoid lay-offs by dividing vacancies into part-time positions. We also keep salaries low by making direct-service jobs as ‘foolproof’ as possible so anyone off the street can fill them.

“The result isn’t pretty. Because we have fewer and less knowledgeable staff, our consumers receive less personal attention. They become dissatisfied with what they perceive as lower quality services. Since dissatisfaction breeds dissatisfaction, sooner or later our most committed and creative workers quit. We’re left with workers who are less creative and less personally involved.”

**“We need to identify our good, creative staff people and ask them to refer their friends.”**



**Solution:  
Empower Your Staff**

“How do we stop this slide? One way,” suggests Guthrie, “is to empower our direct-service staff. We must recognize that they are our source of success or failure. Every contact they have with a consumer of our service is a moment of truth. If they are knowledgeable and act decisively, we’ve made a friend. If they are impersonal, bureaucratic, or indecisive . . . well, you know what happens then.”

Nonprofits’ driving force should be the needs and expectations of their consumers, *as the consumer sees them*, Guthrie emphasizes. “We must ask the people we serve what *they* want. We must find out what *they* believe will add value to their lives. Everything that adds value we should encourage. Anything that doesn’t add value we should question and probably discard.”

Putting consumers first means concentrating on how and where they receive services. So, says Guthrie, “we need to focus on the workers who provide those services. We must stress recruitment of direct-service workers as much as (or



*Each year, Las Vegas performers put on a Concert of Love to benefit Opportunity Village. “We need to tell stories about ‘when things worked’.”*

more than) recruitment of managers and professional staff. Capable workers who are well trained and adequately paid provide better service with less supervision and are much more likely to stay.”

## *How to Assure Good Direct-Service Staff*

- In recruiting staff, use word-of-mouth referrals from people you respect.
- Reduce reliance on part-time staff.
- Emphasize teamwork. Employ people with a “team-first,” not a “me-first” attitude.
- Let staff know why their jobs are important.
- Make sure staff understand and are committed to the mission and values of your organization.
- Expect good performance. To get results, you must hold people accountable.
- Clearly communicate to staff how you will judge their performance.
- Provide managers with training in the areas of communication, team building, and empowerment.
- Create an orientation for new employees that emphasizes the organization’s vision and motivates people to be part of the exciting future you visualize.
- To find more time to devote to people, eliminate unnecessary paperwork, and use the latest technology.
- Create a positive climate. Set a good example.



### **Phase 1: Recruit Quality Staff**

The first part of this equation is finding capable workers. “Service workers come to our organizations with a variety of ingrained attitudes, assumptions, and expectations,” Guthrie says. “We need to differentiate between good and mediocre performers. To do so, we need a selection process designed to discover their views on teamwork, responsibility, and self-esteem. A sense of responsibility, high self-esteem, and a team spirit correlate with successful, consumer-oriented service.”

**Consumer satisfaction is directly correlated to percentage of full-time staff on the payroll.**

One secret is to use word-of-mouth referrals to pinpoint new employees. “We need to identify our good, creative workers and have them refer their friends as potential staff,” Guthrie suggests. “However, since some nonprofits (like us) are primarily ‘white folk,’ we also need to actively seek applicants from the minority community. A good way to do so is to make personal contacts with ministers and other reputable members of those communities. We can then ask them for referrals.”



***”Nonprofits’ driving force should be the needs and expectations of their consumers, <I>as the consumer sees them.”***

Guthrie also recommends reducing reliance on part-time staff. His research reveals that consumer satisfaction is directly correlated to percentage of full-time staff on the payroll. Full-time staff members also have less turnover than part-time staff. Thus, less time is spent on recruiting and training replacements.

At his previous job as executive director of New York's Orleans ARC, Guthrie conducted an illuminating study of replacement costs. He found that replacing an employee costs a minimum of \$2,500 in recruitment, training, and lost productivity expenses.

"Part-time employees in our organization turned over three times a year. Full-time employees turned over only once every three years," Guthrie explains. "It was clear, therefore, that we were far better off with full-time staff. The savings more than offset the increased cost of salary and benefits."



## Phase 2: Provide Staff Training

But Guthrie sees recruitment as just the first phase in ensuring creative, committed staff. "Unless we train these employees and integrate them into our organizations, all our recruitment efforts will have been wasted," he notes.

Training needs to do more than deliver skills. It should also emphasize philosophical commitment and attitudes. "We need to give employees a sense of mission. They need to understand why our organization exists and how it helps people lead fuller lives," Guthrie believes.

"We also need to make it clear to employees how we will judge their performance," adds Guthrie. One way to do so is to tell stories about "when things worked." These stories should give examples of services that resulted in excellent outcomes.

People also need to know how they fit into the big picture. "We need to tell them why their job is important. Most of us train people in our policies and practices, but how many of us explain our reasons for adopting those practices?" Guthrie asks. "And how many of us let direct-service staff and consumers help create those policies and practices?"

Training sessions must focus on helping staff "see our consumers as valuable individuals who deserve respect and courtesy," Guthrie continues. "In addition to meeting technical and regulatory requirements, training must motivate employees and get them to commit themselves to working toward our organization's goals."

Managers' job descriptions should emphasize developing the talents and capacities of direct-service staff. "To do this,"

Guthrie submits, "we must give managers more training in communication, team building, and 'coaching' as a leadership style."

Both managers and program directors need to spend time "on the front lines," providing service and meeting with consumers, says Guthrie. "There are two benefits to having

## Managers and program directors need to spend time "on the front lines."

managers provide direct service. First, it lets them model good service provision practices to other staff. Second, it allows them to develop a relationship with consumers and to encourage their honest feedback."

How can middle managers and program directors find time to do this training when they are up to their eyeballs in paperwork? "There are two ways to attack that problem," Guthrie believes. "First, we need to scrutinize all paper to see if it adds value to our consumers. Face it, a lot of what we do is paperwork that produces nothing of value and that we can probably eliminate. Second, we need to investigate new technology to retrieve and transfer information. Examples of this technology are laptop computers, electronic mail, modems, and voice mail. Once we get the technology, we need to train everyone to use it.

"The secret to future success will be our ability to customize services to meet the needs of consumers *as identified by consumers*," Guthrie maintains. "The only way to provide these customized services is to train our direct-service staff to be highly motivated, creative, adaptable problem solvers." ■

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