



NONPROFIT ORGANIZATIONS AND THEIR TRAINING NEEDS IN HUMAN RESOURCE MANAGEMENT

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ABSTRACT

Since the early 90s Non-Profit Organizations (NPOs) stand out as crucial actors in politics, economics and welfare systems. According to the most recent data, in 2005, there were 235.232 NPOs in Italy. Italian NPOs are mainly young and fast growing: 55.2% of those organizations started their activities after 1990 (Rinaldi, 2008). This explorative research aims at identifying the training needs of senior managers of Italian Non Profit Organizations, with special reference to Human Resource Management. The research was developed through the administration of a semi-structured interview to 88 senior managers of as many Italian NPOs.

Key words: Italian Third Sector, Human Resource Management, Training of Senior Management, Italian Non-Profit Organizations, Senior Management of Non-Profit Organizations

BACKGROUND

Since the early 90s Non-Profit Organizations (NPOs) stand out as crucial actors in politics, economics and welfare systems (Salamon *et al.*, 2003). According to the most recent data, in 2005, there were 235.232 Non-Profit Organizations in Italy. Italian Non-Profit Organizations are mainly young and fast growing: 55.2% of those organizations started their activities after 1990. In addition, they increased by 36.8% between 1999 and 2005 (Rinaldi, 2008). The Italian Non-Profit Sector also has an economic relevance: in 1999 Italian Non-Profit Organizations had an income of about 38 million euros and an expenditure of 35 million Euros (Cnel-Istat, 2008). In 2005 they were employing 3,908,118 paid workers; 85% of the whole number of people working with Italian Non-Profit Organizations are volunteers (Rinaldi, 2008).



Those last data are significant of the complexity of the Humans Resources management of those organizations: they have to cope with and harmonize different motivations, different working times, different training, different approaches expressed both by the staff and the volunteers. A further element of complexity of the management of Non-Profit Organizations is their being accountable to many and various stakeholders: volunteers, donors, clients/people reached by their services; national and local administrators, (with which they often co-operate), state institutions and public services (from which Italian Non-Profit Organizations receive a significant amount of money to fund their activities); just to mention only a few of them.

The management of human resource is a crucial factor for the survival and growth of any Non-Profit Organization because the quality and the success of their services depend much more on these resources than on the logistic and technical ones (Akingbola, 2006; Boyle *et al.*, 2007). From a study has showed how the volunteers' burnout correlated positively with difficulty in relations with beneficiaries, and with difficulty in relations with the provider organization (Kulik, 2006).

Therefore, the survival and growth of the Non-Profit Organisations depends on the quality and effectiveness of their human resource. Managers play a pivotal role, since they are responsible for devising and implementing their organisation's human resource policy. Senior managers are crucial in attracting, selecting and retaining the right people in the organization as well as in devising and addressing training needs to develop the participation of employees and volunteers (Hudson, 1995). Managers have an impact on the organizational culture, as well as in the processes and practices that are embedded in it, as they have the power to change, promote and reaffirm them. They have the authority to connect the mission to organizational practices, which appears to be one of the most efficient tools for retaining people (Brown & Yoshika, 2003).

Though, in spite of the relevance of the managers' training on human resource management among Non-Profit Organisations, this aspect has not attracted yet the attention it deserves (Hinna, 2005).

AIM AND HYPOTHESIS

This explorative research aims at identifying the training needs of senior managers of Non-Profit Organizations, with special reference to Human Resource Management. In particular, it was assumed that the organizational cultures of the NPOs, extremely attentive to their diversities from the for-profit or the public organisation, both in terms of values and mission embedded in their activities, might be linked to an accumulation of self referral knowledge and practices in terms of human resource management. Therefore, this situation creates an important area for development in strategic management of resources human by the management of Non-profit organizations.

The following hypothesis were tested:

Senior managers of Italian Non-Profit Organizations develop their skills and competencies in Human Resources management mainly on-the-job; they are little trained through either formal or informal training opportunities;

Senior managers of Italian Non-Profit Organizations have limited access to training opportunities;

Senior managers of Italian Non-Profit Organizations assess their development of skills and competencies in Human Resources management as a priority

METHOD



A semi-structured interview was administered individually by trained researchers to 88 senior managers of as many Non-Profit organizations. Interviews were taped, transcribed and submitted to discourse analysis by two judges. Codes were developed deductively, systematically reassessed during the coding process, and adapted inductively.

Participants were asked to talk freely about:

procedures and criteria adopted in order to recruit and select senior managers of Non-Profit Organizations;

how senior managers are trained in Human Resources management and how they assess their training opportunities in this area;

how senior managers of Italian Non-Profit Organizations assess their own skills and competences in Human Resources management;

the relevance and priority assigned to Human Resources management by senior managers of Non-Profit Organizations.

MAIN RESULTS

Part 1: Selection and recruitment of senior managers of Italian Non-Profit organizations

Participants were asked about the procedures and criteria usually adopted by Non-Profit Organizations to select and recruit their senior managers.

The most quoted procedures are the informal, not structured ones (N=58; 65.90%), such as being chosen directly by the Non-Profit Organization's president; usually they are already members of the Non-Profit Organization who become the manager of the department or unit where they have been working for several years. Formal, structured procedures were mentioned by only 13 respondents (14.7%). A minority also mentioned the fact that in some cases the senior managers are those who founded the Non-Profit Organization, or those who, at least, have been members of the Non-Profit Organization since its beginning.

Criteria adopted to choose a senior manager are, according to the interviewees, "seniority in the organization" (N=34; 38.6%); in second place is the "experience gained in the same field of action as the Non-Profit Organization" (N=16; 18,1%); holding a formal education diploma or degree is mentioned only by six participants (N=6; 6.8%).

Those answers precisely reflect the procedures and criteria adopted in the organizations where respondents work (Table 1). Asked about their own organization, the most quoted criteria adopted are: "seniority in the organization" (N=36; 40.9%); "experience gained in the same fields of action as the Non-Profit Organization" (N=23; 26.1%); "holding a formal education diploma or degree" (N=7; 7.9%).

Table 1. How does your organization select its senior managers? *

| | N. | % |
|---|----|-------|
| Informal procedures | 56 | 63,6 |
| Formal procedures | 23 | 22,73 |
| They are the same members who founded the organizations | 6 | 6,82 |
| No answer | 5 | 5,68 |

* more options were expressed

82.9% (N=73) of respondents said that seniority and previous work done in the organizations are important criteria for recruitment of senior managers; this criteria seem to be quite widespread among Non-Profit Organizations, according to participants (Table 2).



Table 2. When a Non-Profit Organization recruits a manager, what importance is given to his/her previous experience in that same organization?

| | N. | % |
|----------------------|----|--------|
| Not at all important | 0 | 0 |
| Little important | 0 | 0 |
| Fairly important | 14 | 15,91 |
| Important | 22 | 25,00 |
| Very important | 50 | 56,82 |
| I do not know | 2 | 2,27 |
| TOTAL | 88 | 100,00 |

The relevance of seniority in the organization is evident also from another datum: 82.9% (N=73) current senior managers of participants' own organization were already working in the same Non-Profit Organization before being recruited as such.

Part II: Senior managers of Italian Non-Profit Organizations and training in Human Resources management

All participants (N=88; 100.0%) believe that Non-Profit organizations have specific training needs, different from those of Profit Organizations but training opportunities offered to senior management of Non-profit Organizations are evaluated as "fully" or "partially adequate" only by 9 respondents (N=9; 10.2%); 68 interviewees (N=65; 77.3%) consider them "inadequate".

According to respondents, senior managers are mainly on-the-job trained (N=35; 39.7%); they also attend informal courses, quite often organized by umbrella organizations (N=28; 31.8%). In terms of training, having a specific degree or diploma, related to their job is much less mentioned (N=15; 17.1%)

The majority of participants (N=63; 71.6%) say senior manager of Non-Profit organizations feel they need more training and almost half of them (N=40; 45.5%) believe there is a "strong" feeling about it

The most quoted obstacle to receive more training is money constraint (N=62; 70.4%), followed by time constraint and poor quality of training and education opportunities (Table 3)

Table 3. What are the obstacles to obtaining more training?

| | N. | % |
|--|----|-------|
| Money constraint | 62 | 70,45 |
| Time constraint | 14 | 15,91 |
| Poor quality of training opportunities | 13 | 14,77 |
| Training is not considered important | 11 | 12,50 |

In term of the skills and knowledge that are absolutely necessary to a senior manager of an Non-Profit Organizations, the most quoted are "management and organizational skills" (N=40; 45.4%); half of those are explicitly quoted by respondents as "Human Resources management skills" (Table 4).



Table 4. Which skills/competencies and knowledge are necessary to the senior managers of your Non-Profit Organization ?

| | N. | % |
|---|----|-------|
| Management and organizational skills | 40 | 45,45 |
| Leadership and entrepreneurship | 27 | 30,68 |
| Knowledge related to the NPO's specific field of action | 20 | 22,73 |
| Legal and fiscal knowledge | 11 | 12,50 |
| Administration knowledge | 6 | 6,82 |
| Fund raising knowledge and competencies | 4 | 4,55 |

Not surprisingly, the most quoted training needs of the senior management of Non-Profit organizations identified by interviewees are “management and organizational skills” (N=44; 50,0%) of which 23 (N=23; 26.1%) make explicit reference to Human Resources management.

71.6% of participants believe that senior Managers of Non Profit Organizations do not have enough competencies, skills and knowledge of Human Resource Management and 82.9% (N=73) think that training them in Human Resources should be considered as “important” or “very important”, while only (N=4; 5.0%) consider it “little important”

In the past 12 months, in a large majority (N=76; 86.5%) of respondents' organization senior managers have taken part in a training opportunity, mainly in a specific issue related to their Non-Profit Organization's field of action (N=39; 51.3%), followed by legal and fiscal issues (N=19; 25.0%); entrepreneurship and leadership (N=12; 15.7); in only three organisations (N=3; 3.9%) has there been a place for Human Resources training.

CONCLUSIONS

Senior management of Non-Profit organizations do not seem to receive proper training in Human Resource Management; they are mainly self taught; therefore their skills and competencies in this field appear to be mainly self-referential. In fact, managers of Non-Profit organizations build their competencies mainly through their direct experience and in the second place by attending courses organized by other Non-Profit Organizations. In addition, most of the senior management of the considered Non-Profit Organizations have come up through the same organization; this seems to be a common procedure according to 78.4% (N=69) of participants. This procedure can guarantee a deep knowledge of the organization but cannot guarantee that senior and middle managers develop adequate knowledge and competencies of Human Resource management.

A further reason for the lack of skills and competencies in Human Resources management is due to the selection and recruiting procedures. It has to be noted that a high percentage of respondents mentioned that Non-Profit Organizations do not use formal or structured procedures. In addition many respondents said that Non-Profit Organizations assign importance to seniority within the same organization or to previous work done in another organization operating in the same field of action, when they select senior managers. Very few Non-Profit Organizations use more effective and structured procedures, like hiring a consultancy recruitment agency or making use of job analysis and job description.

Senior Managers have access to training opportunities, as shown by the large number of respondents who affirmed that in their own organization in the past year senior managers had taken part in at least one training opportunity. Those opportunities cover mainly aspects that are strictly necessary and urgent, like the law on compulsory rules on workplace safety or aspects related to



the field of action of the Non-Profit Organization. Nevertheless, there is a need for more training in neglected and crucial issues in terms of strategic management, like Human Resources management, that can offer a competitive advantage to any organization. Access to more training is limited internally mainly by money constraint, followed by time constraint. It can be supposed that in some cases there is also a need to legitimise the need for training: that might explain why some respondents said there is a lack of priority assigned to training (N=11; 12.5%). Training is also limited by external causes: training opportunities offered are mainly considered as “poor”. Although it is a fact that respondents consider training senior management in Human Resource Management both “a priority” and “inadequate”: 82.9% (N=73) think that training in Human Resources should be considered as “important” or “very important” and 77.3% (N=68; 77.3%) consider training opportunities “inadequate”. Furthermore, senior managers (N=40; 45.4%) consider “management and organization skills” very important and among them, Human Resource management.

This research is to be further developed, in order to reach a bigger sample. Nevertheless, according to this preliminary study, it seems that there is much to be done with Non-Profit organizations in terms of developing knowledge in human resource management.

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