

Personnel

September 29, 2022

PMAP 3210: Introduction to Nonprofits
Andrew Young School of Policy Studies

Plan for today

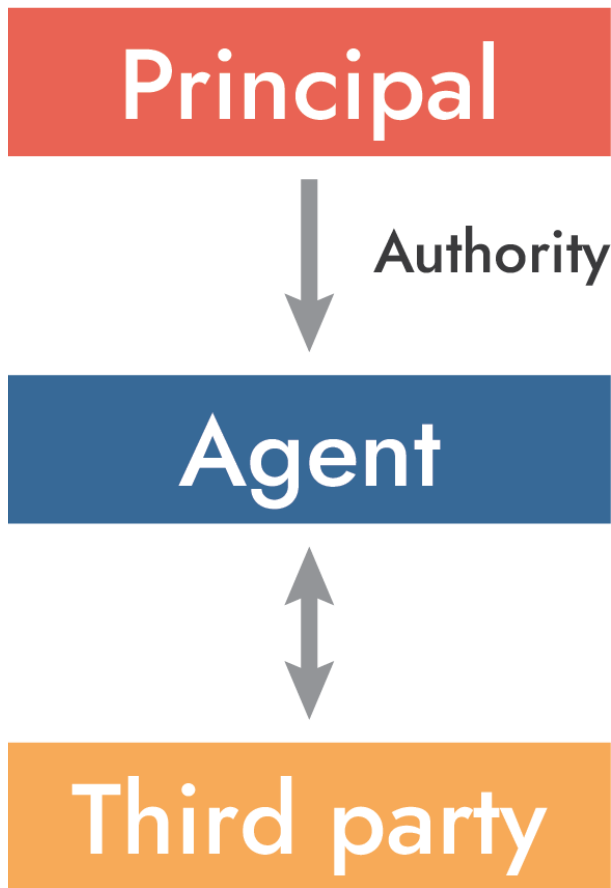
Principals and agents

Officers and employees

Volunteers

Principals and agents

Principal-agent relationships



Principal gives **agent**...

1. authority
2. autonomy
3. discretion

...to do something for them.

Nonprofit principals and agents

Board and executives

Executives and employees

Employees and volunteers

Donors and nonprofit

Government and nonprofit

Different types of agency

Express

Exact identification of responsibility

"Only get these things on the grocery list"

Implied

Partial identification of responsibility

"Go to the fridge, see what's missing, and get that stuff at the store"

Apparent

Third party assumes agent has agency

A principal fires an agent, agent continues doing agent-y things; third party not liable for any bad stuff

Agency law protects the most innocent party first

Conflict

There's inherent conflict!

**Principal can't
observe the agent**

**Agent's preferences don't
always align with
the principal's**

**How does the principal make sure
the agent does what they want?**

Contracts

A legal document or understanding that specifies a set of actions that parties to the contract must undertake

These are inherently incomplete though

Officers and employees

Pop quiz!

Which group employs the most people?

- The federal government
- All 50 state governments
- Nonprofits

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- All 50 state governments
- **Nonprofits**

(More than the other two combined!)

Which of the following industries employ more people than the nonprofit industry?

- Agriculture
- Transportation, communication, and other public utilities
- Mining
- Construction
- Finance, insurance, and real estate

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- Construction
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None of them!

What percentage of nonprofit program officers are women?

- 28%
- 42%
- 68%

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Board diversity in the US

DEMOGRAPHIC DIVERSITY

% 10 20 30 40 50 60 70 80 90 100

Nonprofit Organizations (in dataset)



US



- White
- African-American
- Asian
- Other
- No answer / Empty seat

Board diversity in the US

TABLE 2. DIVERSITY BY NTEE CATEGORY: AVERAGE PERCENT OF BOARD MEMBERS

CATEGORY	WOMEN	UNDER 40	AFRICAN-AMERICAN	ASIAN	HISPANIC
Arts	46.7%	16.8%	5.6%	2.7%	2.7%
Education	50.2%	17.5%	14.2%	2.3%	5.4%
Environment/Animal	49.2%	14.8%	1.4%	2.0%	3.4%
Health	49.7%	13.6%	8.5%	2.8%	4.5%
Human Services	47.5%	17.1%	8.4%	2.2%	4.6%
International	42.7%	23.2%	1.0%	3.2%	3.0%
Public Service Benefit	46.7%	18.2%	7.1%	3.8%	3.9%
Religious	27.9%	16.5%	7.4%	0.9%	9.5%
Unknown/Unclassified/Missing	45.5%	17.3%	6.6%	2.4%	3.9%

Considering skill, experience, and work duties,
what percentage of nonprofit employees are
underpaid?

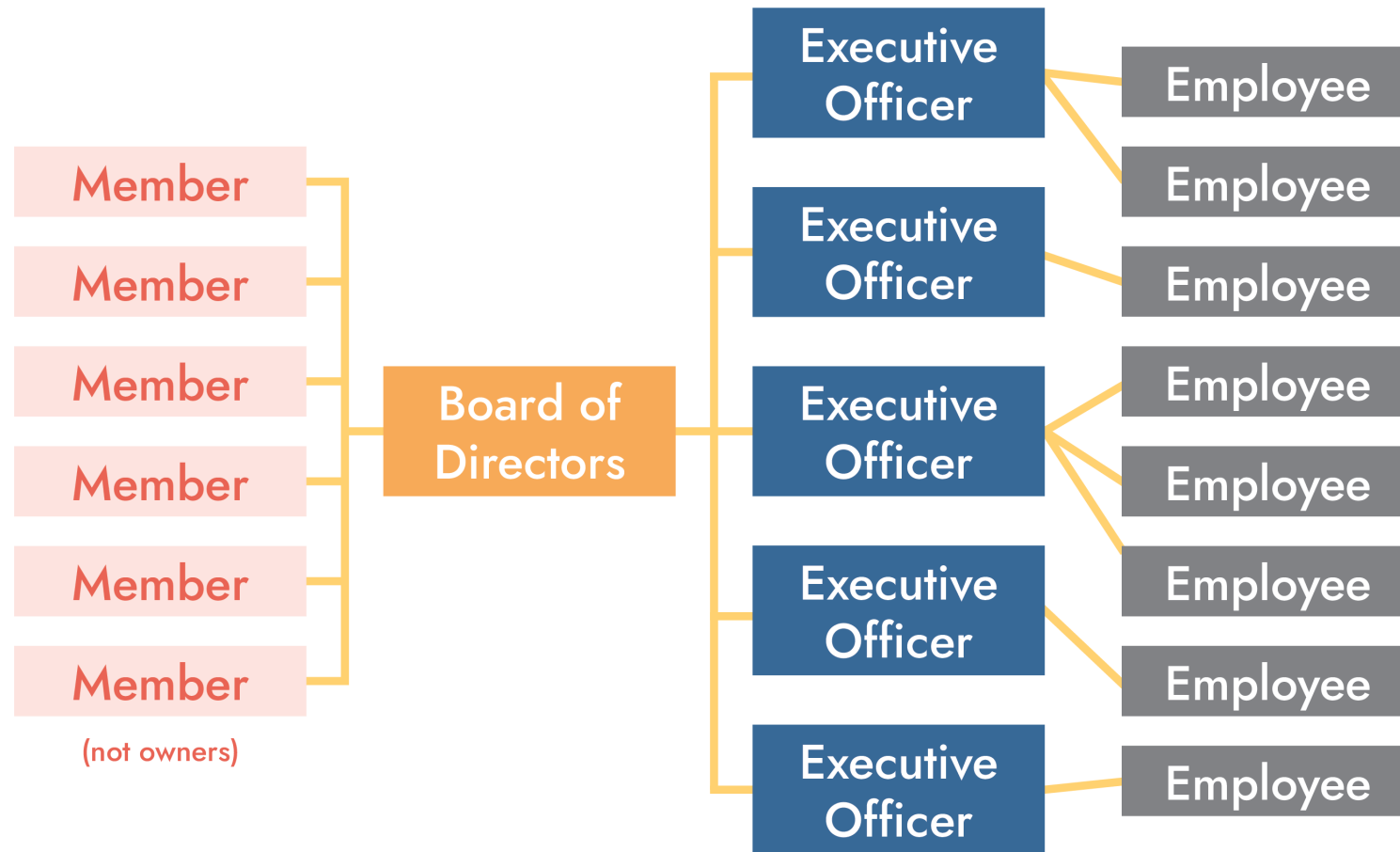
- 20–30%
- 50–60%
- 80–90%

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**Why are there so many misconceptions
about nonprofit employment?**

Typical nonprofit structure



Typical nonprofit jobs?

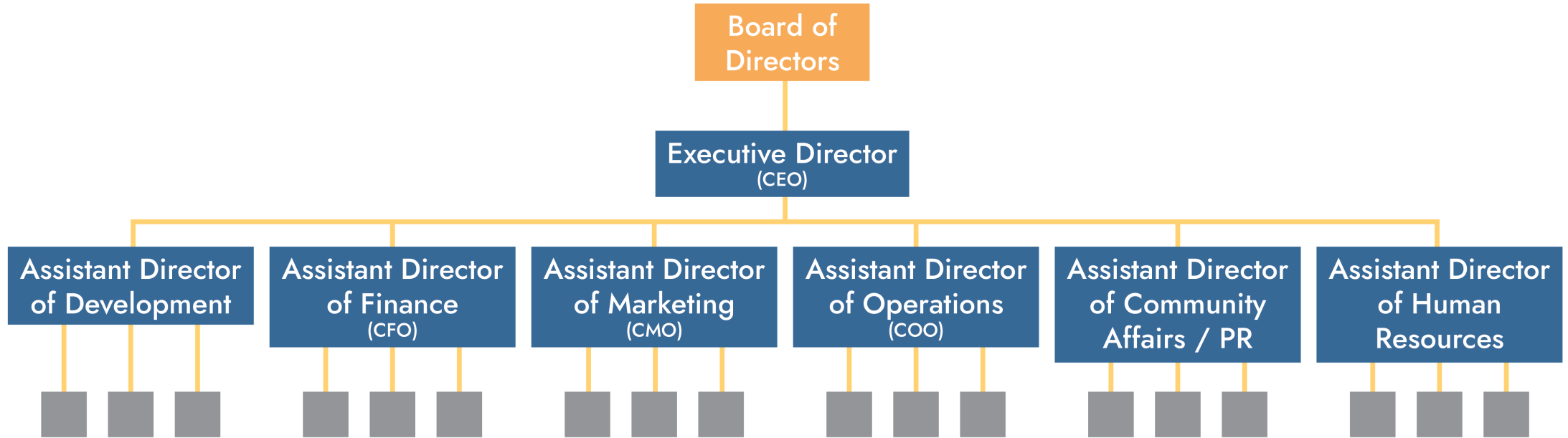
Management

- Executive director
- Assistant directors
 - Development
 - Finance
 - Operations
 - Planning/marketing
 - Public relations
 - Human resources

Staff

- Program officers
- Accountants
- Legal staff
- HR specialists
- Graphic and web designers
- Administrative assistants

Typical large nonprofit structure



Typical small nonprofit jobs?

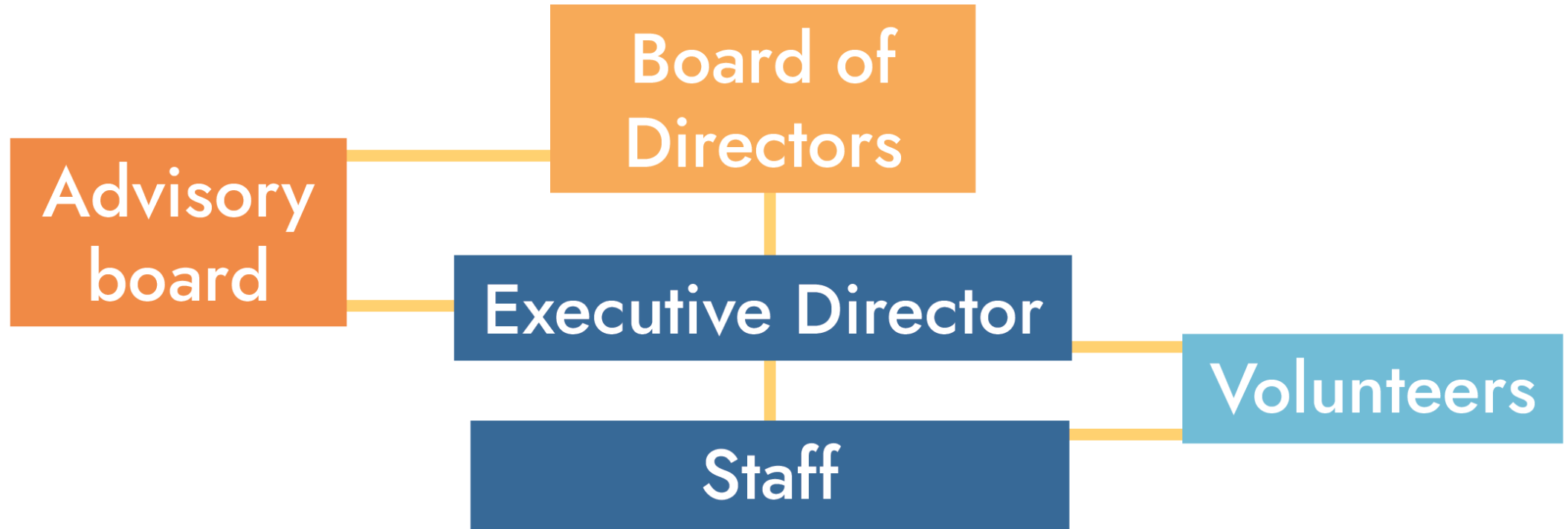
Management

- Executive director

Staff

- Director of development
- Business manager
- Administrative assistant

Simplified nonprofit structure



Types of positions

Full-time

Part-time

Contractor

Temporary

Outsourced

Volunteer

HR compliance

Hiring people is *complicated!*

- Hiring policies
- Firing policies
- Overtime policies
- Leave
(sick/maternity/bereavement/medical/family/military)
- Vacation
- Personal days
- Holidays
- Jury duty
- Health insurance (and ACA regulations)
- Life insurance
- Retirement plans
- Payroll
- Employee evaluation
- Raises
- Benefits
- Training
- Legal compliance
- **AND MORE**

This is why there are whole HR departments!

Discrimination

Employers cannot discriminate on the basis of:

Race

Color

Sex

Religion

Age

National origin

Disability

Pregnancy

Familial status

Still being contested in federal and state courts:

Sexual orientation

Gender identity

Protected classes

Illegal interview questions

Questions relating to protected class stuff
(race, sex, religion, disability, etc.)

Questions that can hint at protected class stuff
(# of children, childcare arrangements, if pregnant, height/weight, etc.)

If applicant has been arrested or convicted of a crime
(without proof of business necessity for asking)

Volunteers

Americans love volunteering

30.3% of adults volunteered in 2018

77.4 million people

6.9 billion hours

Value of donated time: \$167 billion

Formal vs. informal

Formal volunteering

Organized by a nonprofit
with a specific goal

Sorting items at a food bank

Informal volunteering

Focused on individuals
you're connected to

Feeding your neighbor's cat

Why do you volunteer?

Why do people volunteer?

Altruism

Ego

Coercion

Free labor?

Volunteers are not free.
They can be expensive to manage and train.

(Hire a volunteer coordinator if you have lots of volunteers)

**Volunteers are still agents,
even without a formal employment contract**

**Should volunteers be held to a
lower standard than paid employees?**

General guidelines

Clear expectations

Volunteers sense your mission, but not necessarily your vision

Make sure they're properly trained

Input solicitation

Volunteers see and hear things that you'll miss

Create a structured feedback system to hear from them

Warm appreciation

Recognition and appreciation are inexpensive forms of compensation

Returning volunteers save on training costs

Should you pay volunteers?

Crowding out

Extrinsic motivations

Intrinsic motivations

Blood donations

Taxes

Favors

Thanksgiving

Playgroups and daycares

Crowding out

Extrinsic rewards can crowd out intrinsic motivations

Don't violate important social relationships
by reducing services to a market transaction

Pay enough or don't pay at all

Volunteer compensation

If you pay volunteers with money,
you need to pay them like employees,
which then makes them more like employees or contractors



"Paying" with recognition,
appreciation, food, swag,
stuff, etc. feels different

No crowding out

Volunteer management

Organizations that know how to manage volunteers will get the best results

Atlanta Community Food Bank

<https://www.acfb.org/volunteer/>