

HRM in Non-profit organizations

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ABSTRACT

Non-profit HR includes recruiting talent, rewarding talent, creating retention strategies, and developing employment policies for non-profits that create safe and productive workplaces for them. A number of non-profit organizations also require volunteers, whose administration also falls under the responsibility of the HR department. Non-profit HR managers and teams are also tasked with keeping your organization in compliance with local, state, and federal laws, as well as internal policies that govern your day-to-day operations. And because HR is usually the most experienced department when it comes to the rules and regulations for your organization, it becomes the go-to place for employees and volunteers to get help with concerns they may have about their role, team or organization as a whole. Non-profit HR professionals provide non-profits with comprehensive human resources services, including overseeing and managing a wide range of things that never make it onto the leadership team's to-do list. Human resources professionals are as specialist as anyone you could bring into your team, and their expertise will be incredibly valuable to your organization.

KEYWORDS: HRM, Non-profit organizations, Best Practices, Professionalism.

1. INTRODUCTION

HR for non-profits involves recruiting talent, rewarding talent, creating retention strategies, and developing employment policies for non-profits that create a safe and productive workplace for them. Many non-profit organizations also require volunteers, whose administration also falls under the responsibility of the HR department. Non-profit HR managers and teams are also tasked with keeping your organization in compliance with local, state, and federal laws, as well as the internal policies that govern your day-to-day operations. And since HR is usually the most experienced department when it comes to the rules and regulations for your organization, it becomes the go-to place for staff and volunteers to get help with concerns they may have about their role, the team, or the organization as a whole.

Non-profit HR professionals provide non-profits with comprehensive human resources services, including overseeing and managing a wide range of things that may never make it onto a leadership team's to-do list. Human resources professionals are as specialist as anyone you could bring into your team, and their expertise will be incredibly valuable to your organization.

2. REVIEW OF LITERATURE

Studies of large organizations suggest that highly participatory forms of employees' engagement where knowledge and power are widely dispersed and decentralized are more likely to endure and yield mutual gains. Small firms, which are inherently highly localized, can be expected to provide a favourable context for employee participation due to the closeness and informality of management-employee relationships, more explicit interdependence, and organizational strategies that may be driven by personal goals other than mere profit or growth (Rohlfert, 2018; Wang et al., 2007). Inclusion in decision-making will vary according to management preferences, abilities and characteristics, as well as employee skills and broader product and labour market contexts (Bacon and Hoque, 2005; Gilman et al., 2015), but survey data suggests that employees in smaller companies tend to perceive greater involvement in work and in terms of influence on managerial decisions in general (Forth et al., 2006). Organizations with a strong community culture are also likely to practice participatory forms of management, especially those where the members are collectively committed to a "higher cause" (Waddock, 1999). The shared altruistic concern of many not-for-profit (NFP) organizations lends itself to distributed and participative leadership models (Lambert and Lapsley, 2010). Thus, smaller NKMs, which tend to be less bureaucratic and hierarchical than larger organizations, are fertile ground for their size and mission for both "broad" and "deep" forms of employee participation (Marchington and Wilkinson, 2005). At the same time, small NKM faces two sets of problems that can have an adverse impact on their strategic and decision-making processes. First, they operate in a complex environment with many stakeholders, clients and unpredictable financial support (Walk et al., 2014). Financial constraints limit investment in professional staff, especially in smaller NKMs (Ban et al., 2003). Second, most of them do not have human resources (HR) specialists and fail to train managers in HRM techniques (Wapshott and Mallett, 2016; Schmitz and Stroup, 2005). In this context of environmental uncertainty and underdeveloped internal capacity, decentralized and informal decision-making structures may be difficult to sustain (Oster, 1995). Again, however, research on employee participation and HR systems in general in the NFP context is limited (Baluch, 2012) and their workforce remains an "empirically neglected group" (McDermott et al., 2013, p. 1491).

3. METHODOLOGY

To draw meaningful inferences and conclusions, a minimum sample size of 100 is recommended (Alreck and Settle, 2003). Accordingly 120 HRM Managers from Pune were surveyed through a questionnaire containing the eight major roles of HRM in not-for-profit organizations as given below:

1. Managing talent
2. Recruiting talent
3. On-boarding new staff
4. Training
5. Compensation strategy
6. Workplace policies
7. Developing a positive culture
8. Managing employee relations

Likert scales were used for response options. The response options were - 0 - Can't Say, 1 - Somewhat agree, 2 - Completely agree, 3 - Somewhat Disagree, 4 - Completely Disagree. Responses were received from 120 HR Managers. The questionnaire was tested for reliability, and it returned a Cronbach Alpha score of 0.91, which was considered reliable. The following hypotheses were formulated:

H₀: There is no major role for HRM in not-for-profit organizations

H_a: There is a major role for HRM in not-for-profit organizations

The hypothesis was tested based on the average agreement/disagreement responses to the eight statements of the questionnaire. The average agreement/disagreement response of the 120 respondents for all the eight statements was taken as the sample mean and it was compared with a hypothesized population mean of 50% agreement/disagreement connoting an event by chance and not due to any statistical significance. A t-test was applied at 95% confidence level and based on the p-value the null hypothesis was tested for rejection or non-rejection.

4. DATA ANALYSIS & FINDINGS

38 respondents were from the Northern region of Pune, 32 were from the Eastern region, 14 were from the Western region, and 36 were from the Southern region. 40 respondents were from the age-group of <30 years, 42 were from the age-group 30-40 years, and 38 were from the age-group of >40 years.

Table 1 gives the eight HRM role statements and their agreement ratings by the 120 respondents:

Table 1: Agreement percentages for 8 statements

Statement	Agreement
1. Managing talent	81%
2. Recruiting talent	83%
3. On-boarding new staff	86%
4. Training	82%
5. Compensation strategy	82%
6. Workplace policies	89%
7. Developing a positive culture	79%
8. Managing employee relations	78%

The average agreement for the eight statements was 83%, and this was compared with the mean of the hypothesized population of 50%. Results were as under:

Table 2: Summary statistics

Parameter	Value
Sample Mean ($\bar{x}$)	83%
Hypothesized population mean (μ)	50%
SD of sample	1.02102
n (sample size)	120
t-value= $\text{abs}((\bar{x} - \mu) / (s/\sqrt{n}))$	3.54055
p-value = $\text{tdist}(t, (n-1), 1)$	0.00029
Decision	Reject Null

Thus, the null hypothesis that there is no major role for HRM in not-for-profit organizations was rejected in favour of the alternative, there is a major role for HRM in not-for-profit organizations.

5. CONCLUSION

Most small non-profits don't have a separate department, but that doesn't mean the HR department doesn't play a vital role. Recruiting, hiring, screening and compensation are part of human resources. Each of these is essential for staff and volunteers at a non-profit organization. From policy and compliance to creating culture and recruiting the best talent for your , non-profit HR plays a very important role. Their functions are essential to your organization and its progress. Regardless of the size of your non-profit, hiring, training, and evaluating staff and volunteers is HR's most important role in a non-profit. The individuals working for your organization are what determine its success. Finding the right people and helping them succeed in their roles is essential for your organization to grow.

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