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TALENT MANAGEMENT AT NPOs – THE R&R FACTOR

There is a common misconception that working in NPOs (Non-profit organizations) is not as challenging and therefore fulfilling as working for a for-profit organization.

If working for NPOs wasn't challenging and fulfilling, turnover rates will certainly be constantly high, and the ability to attract high calibre talent will be almost certainly impossible. From my own experience in having worked for the past five years as an external advisor for MAKNA, a Malaysian NPO dedicated to supporting underprivileged cancer patients, this could not be furthest from the truth.

In reality, high attrition and difficulties in recruitment are challenges that any organization, NPO or otherwise, may face at different stages of its history, if the R&R talent management practices are not put in place.

So let's start by understanding the meaning of R&R. It certainly does not make reference to the R&R (Rest and Relax) stops that can be seen along the Malaysian Highways. Rest and Relax is also not the general outlook, culture or attitude of those working in NPOs. R&R in this context means Recognition and Retention, two of the most critical talent management dimensions that should be considered and actively deployed not only by NPOs, but by any organization that truly values its employees. After all, these practices intend to ensure employees are engaged, and work tirelessly towards making a real difference and impact in the lives of those who benefit from the products and services that are provided by the organization.

Now that we are clear about the meaning of R&R, let's discuss each R in detail.




Recognition. To many people, the first thing that comes to mind when the word recognition is mentioned is: Money Money and more Money! We all know that money is important, but research has shown that the motivating effect of money is short-lived. Money is considered an extrinsic motivator, and as such it must be kept at the adequate level so that it does not become a demotivator, but it certainly will not boost the organization's ability to motivate, engage or retain employees beyond a certain level.

So, what else can organizations and managers do to recognize employees in a way that provides sustained motivation and engagement? Here are a few practical examples:

1. **Constructive and timely feedback.** Supervisors should pay attention to what their employees are doing and how they are behaving and treating internal and external customers. These are tangible opportunities to reinforce a positive behaviour or convert an undesirable behaviour into a learning opportunity. No matter if feedback is positive or constructive, what matters is the way it is delivered. It should be an avenue to support the employee in becoming a better and stronger professional. MAKNA has invested considerable effort in equipping all people managers with the right knowledge and skills so they can conduct formal (every quarter) and informal (whenever necessary) "check-in" sessions with their employees so that they can openly discuss about work and non-work-related matters that may be positively or negatively impacting their performance.
2. **Publicly call out good behaviours.** The "employee of the month" or "I caught you in action" awards, are just but a few ways of recognizing employees who consistently demonstrate behaviour that are expected through their interactions with others. Positive reinforcement, is a tangible motivator and drives



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employee engagement. However, it is also important to consider that not all employees like to be recognized in public! Some may feel shy about the recognition. Some may feel that they are simply doing what they were hired to do, and there is nothing great in how they are behaving. Being aware of how public recognition may not be everyone's cup of tea, will enable organizations to manage these efforts successfully. For this type of recognition programme to be effective, it is essential that clear criteria are set and communicated around the way in which employees are nominated and selected to receive the award. At MAKNA, quarterly public recognition is given to those who positively display one of the 9 organizational values (i.e. Founder, Focus, Fast, Flat, Flexible, Forever Innovating, Frugal, Friendly, Fun). Employees vote and actively participate in the selection of the deserving employees.

3. Additional responsibilities that don't necessarily mean a promotion. NPOs are generally small and fairly flat. This in practical terms means that employees may have less opportunity for career advancement in the form of a promotion. This however is not a barrier for career development and growth. The top leadership team of the organization or the individual's supervisor may always recognize good performers or high potential employees with the opportunity of being involved in a special assignment, or a cross-team project, or a temporary new task. This is a tangible way of recognizing someone's talent and abilities and giving them the opportunity to stretch themselves to do things that otherwise they will not have the opportunity to undertake in their current role. Having these experiences will surely equip employees with additional knowledge and skills that will enrich them for long term success and growth. At MAKNA, employees are constantly given this type of opportunities. In fact, in certain cases, employees volunteer to take part in the assignments instead of being asked to do it.

Retention. Staying with the same organization for prolonged periods of time is something that we see less and less these days. In the past, it was very common to have someone stay with the same organization from the beginning until the end of their working life, climbing the career ladder at a relatively slow pace. In more recent times, employees are less "loyal" to the same organization, preferring to work for several organizations as a way to advance their careers faster. This reality has forced organizations to re-evaluate how they view retention and what is possible in practical terms.

So, how can NPO organizations retain their talent, when by design they may be limited by the number of career levels and open opportunities for promotion? Is advancement the only way to retain employees?

The answer is no. There are other factors that play an important role in increasing retention rates of employees.

1. The People Manager. There is a very famous phrase that says "Employees join companies and leave managers". What this means is that "bad" managers are one of the primary reasons why employees leave their jobs. Therefore, if NPOs want to increase their chances of retaining employees for a longer period of time, they should pay special attention to equipping the managers with the right knowledge and skills so they are effective at managing those working under their supervision. MAKNA pays special attention to the development of their people managers. They participate in the organization's strategic retreats so they understand the organizational direction. They are involved in the development of departmental and individual KPIs so they are aware on what is expected of them and their team members. They are required to work together in preparing briefing documents to be presented in quarterly townhalls so that everyone understands how the organization is doing. They are provided with coaching and mentoring around how to



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provide one-to-one feedback to their employees so they are able to address performance issues and recognize employees for their achievements. All these efforts with the intention of ensuring they are better prepared to deal with their employees in a professional, empathetic and empowering manner.

2. **Stressing the Importance of Values.** Younger employees, in particular Gen Z and Millennials are very keen to work for organizations whose values are aligned to their personal values. They want to work for organizations that make positive impact on the lives of others and the planet. NPOs are mostly driven by societal impact rather than profits. It is this precise component that should be stressed through the many learning and development opportunities put in place. At MAKNA all employees are provided with regular opportunities to refresh their understanding of the organization's values and teachings of the Founder, not only through training programmes, but through cross-functional assignments and organization-wide outreach efforts. Employees put in practice the organizational values in their day-to-day interactions with patients and stakeholders. They can see and feel every day how the work they perform brings real impact to the well-being of the patients and their families.

3. **Retaining Organizational Knowledge.** Many organizations are faced with the very tangible challenge of losing institutional knowledge whenever a long serving employee retires or resigns. This puts the organization at risk of losing precious data and information that resides in the individual's memory or risk shifts in the way things are done or what the organization stands for due to the fact that there is no compass which guides the way work is done. It is therefore critical to ensure not just the retention of people, but the retention of organizational knowledge. This is no easy task. So, what can be done? At MAKNA this has been done through a variety of efforts. Firstly, a book titled "Fading to Clarity" has been written and published. It encapsulates the values and principles advocated by the organization's Founder Dato' Mohd Farid. This is a must read for all the new comers and every other employee. Different chapters of the book are discussed during the yearly patient outreach attended by all employees or the departmental mini-retreats that are organized regularly to remind employees about the organization's values and reinforce the importance of teamwork. Secondly, an in-house system called MIST JADI is under construction for the past few years to ensure critical data i.e. patients information, donors information, services provided, departmental KPIs, individual KPIs, behavioural expectations, knowledge and skills required, memos approved etc. are recorded and can be extracted in the form of historical reports, analytics, projections and infographics whenever required.

All and all, it is clear that managing the R&R components is a critical success factor of any NPO in their quest to deploy effective people management practices. I am humbled and proud of being part of this journey with MAKNA, and look forward to continue supporting their efforts around strengthening their people practices to achieve organizational sustainability and societal impact.