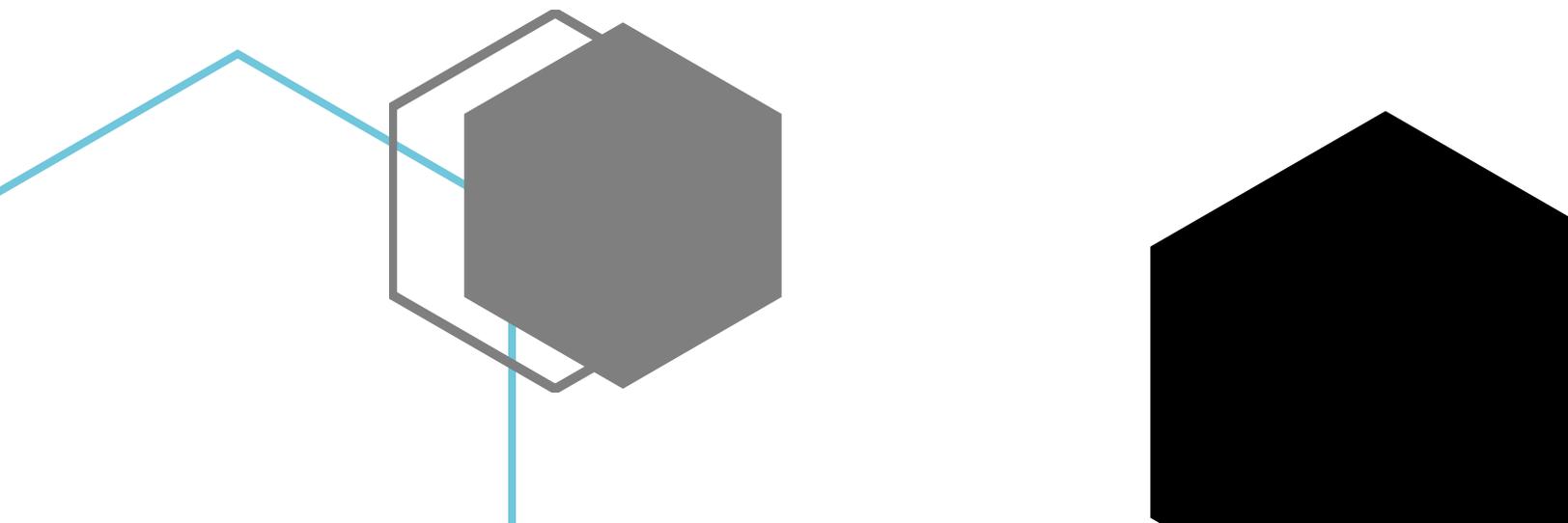




# Millennial Targeted Recruitment and Retention Strategies in Allegheny County Nonprofit Organizations

By: Maria Montaro, PhD

This is a summary of results of a quantitative research study that aimed to identify how Allegheny County nonprofit organizations are using recruitment and retention of new generations of leadership to prepare for the upcoming Baby-Boomer retirement.





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## Introduction

The Forbes Funds, a longstanding foundation in the Pittsburgh community, described the nonprofit sector in Allegheny County as a strong economic and social force. The region's nonprofit sector is known to be robust, expansive, and diverse and employs hundreds of thousands of people throughout the region, thus contributing millions of dollars to the region's economy. Most importantly, the nonprofit sector meets important social needs that otherwise would not be provided.

However, Allegheny County's nonprofit sector is about to experience a period of transition. The Bayer Center for Nonprofit Management in Pittsburgh, Pennsylvania published a study in January 2018 that examined the current state of nonprofit organizations in Allegheny County and how they will be affected by the retirement of baby boomers over the next ten years. An emerging theme throughout the study is that nonprofit organizations lack readiness for the upcoming baby boomer retirement era, due to weak human resource practices throughout the nonprofit world. Only about 34% of nonprofits have any type of succession plan in place, let alone an emergency succession plan, which leaves the sector at great risk (The Bayer Center, 2018).

It is imperative that the current succession planning needs of the nonprofit sector are identified. Recruitment and retention strategies are vital parts of succession planning that help identify and maintain new talent. Some of this new talent may be met by the millennial generation which is considered to be those who are born between 1980 and 1999. This quantitative study examined Allegheny County nonprofit organizations' current uses of recruitment and retention strategies to engage future leaders such as the millennial generation so that the nonprofit sector in Allegheny County can continue to be the strong economic and social force that it is.

## Key Results:



It was found that 75% of nonprofit organizations included in the study are not using best practice recruitment and retention strategies to specifically target new generations of leadership to fill hiring gaps within their organizations. The millennial generation was identified as significant untapped potential within the sector.

This was tested among 149 Allegheny County nonprofit organizations of various annual asset amounts and missions.



## Key Findings

This study surveyed 149 Allegheny County nonprofit organizations of various annual asset amounts and missions using the Building Future Leaders Diagnostic Survey created by The Bridgespan Group in 2013. Overall, it was found that 75% of nonprofit organizations included in the study are not using best practice recruitment and retention strategies to specifically target new generations of leadership to fill hiring gaps within their organizations. The millennial generation was identified as significant untapped potential within the sector.

When we take a deep dive into the individual survey questions that were asked, there is some additionally shocking evidence that suggests the Allegheny County nonprofit sector may soon be in a hiring crisis due to a lack of succession planning effort. Here are some of the most key findings:

- The majority of nonprofit organizations (54 %) do not believe that their nonprofit organizations are highly effective in developing a pipeline of future leaders within nonprofit organizations, the most key aspect of succession planning.
- 65% of nonprofit organizations do not have plans to address gaps even where there are successors in place.
- 65% of nonprofit organizations do not have development plans in place for employees who have the potential to move into leadership roles.
- 78% of nonprofit organizations do not regularly collect data about their leadership development practices to understand whether they are effective.
- The nonprofit organization's annual asset amount and causal area had little to no effect on the way in which the nonprofit organization is practicing succession planning, contrary to previous research.

## Implications on the Nonprofit Sector

Three steps that Allegheny County nonprofit organizations should specifically focus on improving are:

- Understand Future Needs
- Develop Future Leaders
- Monitor and Improve Practices

Leadership should intimately understand what the organization wants to look like in three to five years. Then staff should be evaluated to identify future leaders that can help meet those specific goals. This is an area that may cost some significant staff time from Allegheny County nonprofit organizations. However, it is imperative to understand the future goals of the organization and how the organization can utilize existing staff, both with current leaders and potential future leaders, to meet those goals.

Most relevant to this research is “Develop Future Leaders”. Developing the leadership already within the organization improves retention, requires less recruitment, and can create a better succession plan for



the organization. The Bridgespan Group (2013) recommends an approach that they refer to as 70-20-10: 70% of training consists of on-the-job training, 20% is coaching and mentoring, and 10% is formal training.

“Monitor and Improve Practices” may pose as the most difficult step for Allegheny County nonprofit organizations. The organization must be honest about whether or not their efforts and practices are adequately preparing their employees and future leaders to fulfill key roles within the organization. Nonprofit organizations should create an implementation plan to identify specific actions and initiatives that are working (and not working) to develop future leaders. Additionally, key traits among top performers within the organization should be identified, to understand how these traits can become developed in other employees within the organization.

## Summary

The Allegheny County nonprofit sector is robust. It provides mission driven services that many individuals in the area rely on, saves tax payers money, and provides significant economic benefit (The Forbes Funds, 2014). It was previously found that 66% of Allegheny County nonprofit organizations have no succession plan in place, including an emergency succession plan, even though 69% of top executives in the region plan to retire in the next ten years (The Bayer Center, 2018). This study pushes relevant conclusions further by identifying the specific aspects of succession planning that Allegheny County nonprofit organizations can improve upon. It was identified that targeting leaders through recruitment and retention strategies was a practice that could significantly improve the succession planning behaviors within the Allegheny County nonprofit sector. The millennial generation was identified as possible untapped potential that should be considered when recruiting and retaining future leaders.

Overall, this study has found that Allegheny County nonprofit organizations are not adequately prepared for the baby-boomer retirement gap. Nonprofit organizations are not adequately targeting the millennial generation in their succession plans through recruitment and retention strategies which puts the future of the sector at stake. It was found that 75% of nonprofit organizations included in the study are not using best practice recruitment and retention strategies to specifically target millennials to fill hiring gaps within their organizations. This was tested among 149 Allegheny County nonprofit organizations of various annual asset amounts and missions. This is a significant increase from the previously found 66% of Allegheny County nonprofit organizations who did not have a succession plan in place (The Bayer Center, 2018). It was additionally found that the nonprofit organization’s annual asset amount and causal area had little to no effect on the way in which the nonprofit organization is practicing succession planning.

Allegheny County nonprofit organizations should specifically focus on improving their understanding of future needs, the development of future leaders, and monitoring and improving practices. Further research must be done to better understand how Allegheny County nonprofit organizations can more appropriately prepare for the baby-boomer retirement gap so their important mission driven work can continue. Further research should also be done to understand how the COVID-19 virus has had an effect on the region’s nonprofit sector. The future of Allegheny County’s nonprofit sector could be bright with the proper planning and investments in future leadership such as the millennial generation through recruitment and retention practices.