CHANGE WORK:

Valuing decent work in the not-for-profit sector

Mowat NFP
THE MOWAT CENTRE'S NOT-FOR-PROFIT RESEARCH HUB

ONTARIO NONPROFIT NETWORK

Toronto Neighbourhood Centres

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Contents

EXECUTIVE SUMMARY 1

INTRODUCTION 3

THE DECENT WORK CONCEPT 5
What is decent work? 5
How is it measured? 6

DEFINING THE VALUE OF DECENT WORK 8
Why decent work for the not-for-profit sector? 8
What does decent work look like? 9

THE NFP SECTOR AS AN EMPLOYER 11
A snapshot 12
- Employment opportunities 12
- Fair income 13
- Stable employment 14
- Health and retirement benefits 16
- Opportunities for development and advancement 17
- Equality and rights at work 18
- Culture and leadership 20

Barriers to decent work 21
- Funding challenges: where does the money come from? 22
- Administrative costs and decent work 23
- Funding reform as decent work 24
- Culture and leadership 24

Summary 26

MOVING DECENT WORK FORWARD 27

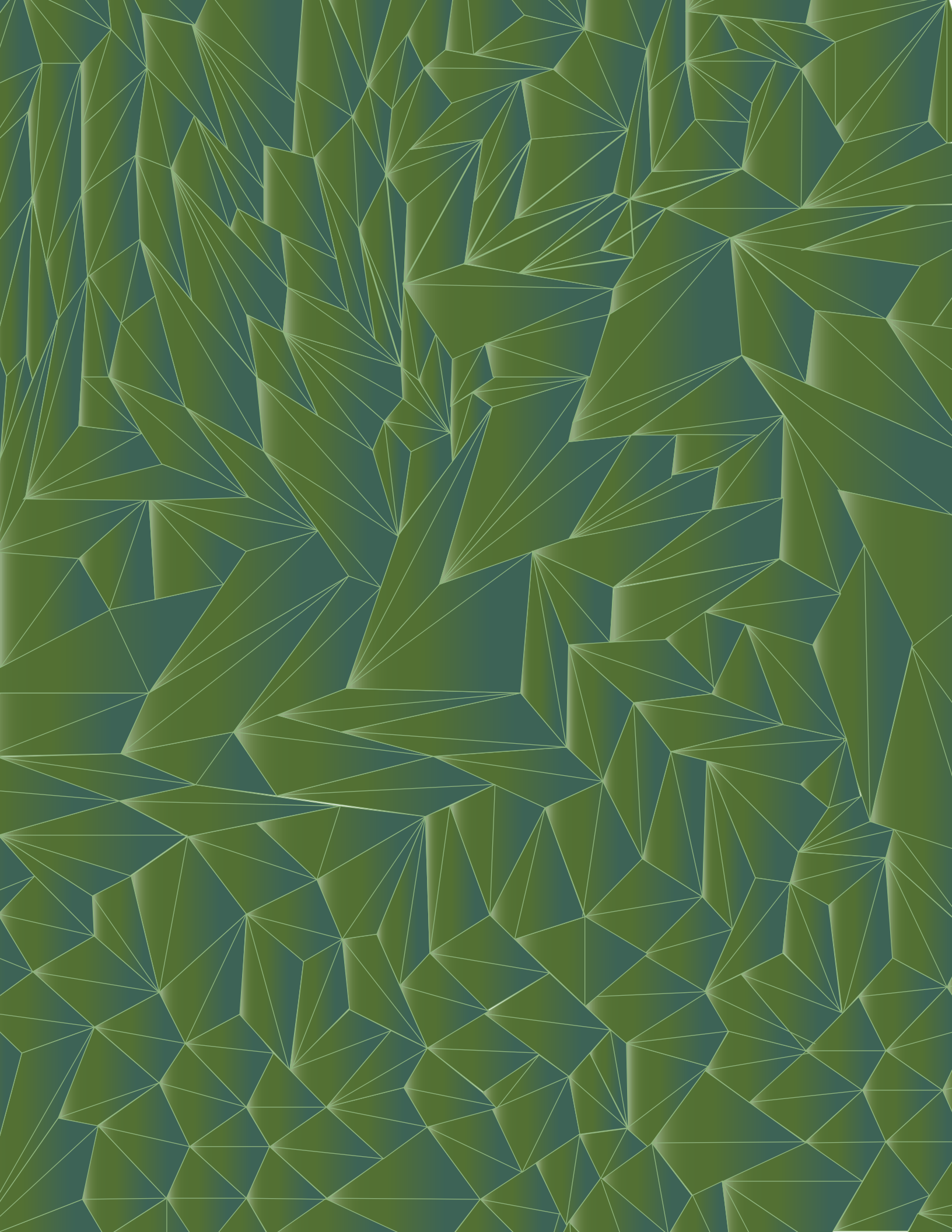
SUPPLEMENT: IDEAS FOR DISCUSSION 28

WORKS CITED 36

APPENDIX 1A: ILO DECENT WORK INDICATORS 38

APPENDIX 1B: DECENT WORK IN CANADA 40

APPENDIX 2: CASH COMPENSATION IN ONTARIO NFPS 42



EXECUTIVE SUMMARY

The purpose of this report is to explore the concept of decent work and its potential for the not-for-profit (NFP) sector. Decent work involves thinking about work "as a source of personal dignity, family stability, peace in the community democracies that deliver for people" and a mechanism for inclusive economic growth.[1] The decent work movement presents an opportunity for the sector to act as a champion of working conditions and social policies that not only ensure dignified and supportive work environments for employees, but also support the overall health and effectiveness of NFP sector.

Though many organizations in the NFP sector are focused on providing employment services, alleviating poverty and promoting community health and well-being, little attention is paid to the sector's role as an employer in promoting these same goals.

However, the health of the NFP sector as an employer directly impacts the effectiveness of organizations and their ability to meet their goals, missions and mandates. The report argues that a sector that champions decent work — both at a community level and through investing in its employees — will have an increased ability to make community impacts due to better engagement and effectiveness from its workers.

The NFP sector can be a major catalyst for a conversation about decent work and what it could mean for Canada, Ontario, its communities and the NFP sector itself. However, this must be done with a full understanding of the challenges and constraints it faces.

Findings show that in some ways, the sector is doing well: workers in the sector feel passionate about their work and the sector provides workers with meaningful employment that benefits society. However, there are also many symptoms of distress:

- concerns of employment stability for both employers and employees
- low levels of retirement and benefits coverage
- high rates of part-time and contract employment
- underinvestment in training and development by organizations
- poor work/life balance for workers at all levels.

> A decent work lens allows NFP organizations to address an inherent contradiction in the sector — mission-based organizations focused on creating better lives and outcomes for clients and communities may not be providing elements of those same outcomes for their own employees.

There are many factors that may be contributing to the sector's relative instability. Unstable funding and a lack of resources available to NFPs create financial uncertainty in the sector and drive underinvestment in capacity and long-term strategies. However, organization and sector culture may also be a factor at play. Given the current reality, what can the sector do to overcome the current challenges and change these structures and cultures?

1 International Labour Organization, "Decent Work Agenda," 2015.

The report argues that implementing a decent work vision must happen within a broader movement. Decent work offers a lens that cuts across many issues facing the sector, however implementing it will be complex. It will require systems change and government, funders, and different sectors working together. The NFP sector can help by working together to build a movement around the cause.

All people can play a role in promoting decent work and NFPs can work to enable change at four levels, through:

Ultimately, decent work highlights the choices that people can make about how they collectively structure their organizations, community networks and policy systems. There are choices that any organization or government can make to improve working conditions for employees. It is up to the NFP sector to decide how it can best champion these efforts.

INTRODUCTION

The nature of work is changing. Globalization, technological change and shifting conceptions about career progression and competitiveness have changed the way that organizations and employees operate.[2] However, labour policies and workplace practices have not kept pace.

As a result, the labour market is increasingly showing signs of stress:

- » high levels of unemployment and underemployment among youth graduates and newcomer professionals
- » an hour-glass shaped labour market with fewer mid-level jobs
- » employer-reported skills shortages and mismatches
- » decline of permanent, full-time jobs with benefits and the rise of more precarious forms of employment: temporary jobs, contract and freelance work.[3]

Concern about precarious employment and the challenges facing low-income workers has renewed discussion on the supports needed for both employees and employers. Advocates call for policy responses and argue that governments should "close the 'low road' and pave the 'high road'"[4] by implementing strategic labour market policies that focus on "the creation of good jobs and the improvement of the quality of work."[5]

As a result, there is growing interest in the concept of "decent work" and finding ways to promote working conditions that not only ensure dignified and supportive work environments for employees, but also support the overall health and effectiveness of organizations.[6] The premise is that decent working conditions not only benefit individual employees, but also strengthen organizational commitment and productivity. In the case of the not-for-profit (NFP) sector, an increased focus on decent work could facilitate the sector's public benefit and community impact.

This paper will focus on the value proposition for decent work in the not-for-profit sector. The NFP sector is a significant employer in Ontario, with more than one million employees across the province.[7] However, despite its strong history in championing social and economic justice, it is a sector that, as a whole, demonstrates many characteristics of precarious work.

Though many organizations in the NFP sector are focused on providing employment services, alleviating poverty and promoting community health and well-being, little attention is paid to the sector's role as an employer in promoting these same goals. Too often, program demands are pitted against investment in organizational support and management. However, poor working conditions are not only bad for individuals — they also have a negative impact on organizations, compromising their ability to meet goals, missions and mandates.[8] For the sector, this means that fewer people are helped and less progress is made on social issues.

2 Tom Zizys, "Better Work: The Path to Good Jobs Is through Employers," *Metcalf Foundation*, no. October (2014): 18–19.
3 Ibid., 12.
4 John Evans and Euan Gibb, *Moving from Precarious Employment to Decent Work* (International Labour Organization, 2009), 9.
5 Ibid.
6 Graham S. Lowe, *The Quality of Work : A People-Centred Agenda* (Don Mills, ON: Oxford University Press, 2000).
7 It is difficult to provide an accurate and up-to-date estimate the number of workers in Ontario's NFP sector. This number is drawn from the 2003 NSNVO survey and may include workers from the broader NFP sector, such as universities and hospitals. See, Katherine Scott et al., *The Nonprofit and Voluntary Sector in Ontario: Regional Highlights from the National Survey of Nonprofit and Voluntary Organizations* (Toronto, 2006), 35.
8 Donna Baines et al., "Not Profiting from Precarity: The Work of Nonprofit Service Delivery and the Creation of Precariousness," *Just Labour: Canadian Journal of Work and Society 22,* no. Autumn (2014): 74–93.

For this reason, it is important to make the link between the health of the NFP sector as an employer and its ability to achieve its social objectives. The decent work movement presents an opportunity for the NFP sector to act as a champion of working conditions and social policies that improve the well-being of employees, but also support the overall health and effectiveness of NFP organizations.

This paper will:

1) define the decent work concept
2) discuss the value of decent work to organizations
3) provide a snapshot of the NFP sector as "decent-work employer," including factors that enable and constrain this vision
4) provide examples of choices that NFPs and policymakers can make to advance a decent work movement.

RESEARCH PROCESS

The research process for this discussion paper included a review of existing literature and used data from the *Looking Ahead Leadership Survey* that was completed by 810 executive directors and senior leaders from across the NFP sector in Ontario in May 2013. The report also draws on the findings from a series of nine focus groups held by the Toronto Neighbourhood Centres (TNC), an association of not-for-profit multi-service organizations, in April and May 2015 on the subject of decent work.

There were a total of 71 participants in the nine focus groups representing different roles and demographics within the organizations. Participants were asked about the meaning of decent work to them, as well as the perceived challenges and opportunities associated with meeting these ideals in an organizational and sector context. While these groups offer only a small glimpse into one area of the NFP sector, the themes that emerged are a helpful starting point for discussion about what decent work means in the NFP context.

THE DECENT WORK CONCEPT

What is decent work?

The concept of decent work was developed by the International Labour Organization (ILO)[9] and is defined as "opportunities for women and men to obtain decent and productive work in conditions of freedom, equity, security and human dignity."[10]

What is attractive about the decent work concept is that it explicitly links the goals of social protection and inclusion to employment and economic growth. The premise of decent work is "based on the understanding that work is a source of personal dignity, family stability, peace in the community, democracies that deliver for people and economic growth that expands opportunities for productive jobs and enterprise development."[11]

FIGURE 1: ILO DECENT WORK PILLARS

As part of its Decent Work Agenda, the ILO has outlined four main pillars of decent work: promoting jobs; guaranteeing rights at work, social protection; and promoting governance and social dialogue.[12] Taken together, these four pillars encompass a broad range of activities that can be undertaken by government, industries and employers to promote the rights, health and well-being of individuals. A core component of promoting a decent work vision is a commitment to developing high quality jobs and working collectively to ensure that the structures, regulations and practices are in place to support organizations and individuals in pursuing them. In 2015, the United Nations incorporated decent work into its 2030 Agenda Sustainable Development Goals.[13]

9 The International Labour Organization (ILO) is an international organization that promotes human and labour rights, based on the founding mission that "labour peace is essential to prosperity." It was established in 1919 and acts as a specialized agency of the United Nations. International Labour Organization, "Mission and Objectives," 2015.
10 International Labour Organization, "Decent Work," 2015.
11 International Labour Organization, "Decent Work Agenda," 2015.
12 Ibid.
13 International Labour Organization, "Decent Work and the 2030 Agenda for Sustainable Development," 2015.

How is it measured?

The ILO is in the process of forming its own indicators, standards and best practices on what decent work looks like in many different contexts.[14] To date, much of its work has focused on understanding and measuring decent work at the country level, rather than sector level.[15] Ten substantive elements of decent work were identified to help countries monitor progress on decent work with gender equality and other forms of non-discrimination as cross-cutting issues to be addressed under each element.[16] The country-level elements of decent work are listed below:

- Employment opportunities
- Adequate earnings and productive work
- Decent working time
- Combining work, family and personal life
- Work that should be abolished
- Stability and security of work
- Equal opportunity and treatment in employment
- Safe work environment
- Social security
- Social dialogue, workers' and employers' representation[17]

In 2012, the ILO released the first version of its manual on national decent work indicators with descriptions of proposed legal and statistical indicators related to the elements of decent work.[18] See *Appendix 1a and 1b* for a table of the proposed main statistical indicators under each element and the corresponding data points for Canada, where available.

However, decent work is not only about policy changes at the government level. It requires collective action to ensure structures, regulations and practices that work for each sector. According to the ILO's Sectoral Policies department, there is value in taking a sector-specific lens to help understand the barriers to decent work: "by examining decent work through a sectoral lens, issues of deep concern in specific economic areas are not overlooked [in national programmes] and can be used as stepping stones to address systemic shortcomings."[19]

To date, there is not a formal set of elements and quantitative indicators for decent work that applies at the sector level and the ILO does not currently identify the NFP sector as one of its main industries and sectors.[20] However, the elements identified at the national level may serve as a jumping-off point for what those indicators might look like in the future.

14 International Labour Organization, "Decent Work," 2015.
15 International Labour Organization, "Measuring Decent Work," 2015; Richard Anker et al., *Measuring Decent Work with Statistical Indicators, International Labour Review,* vol. 142, 2003.
16 International Labour Organization, "Monitoring and Assessing Progress on Decent Work (MAP)," 2015.
17 International Labour Organization, *Decent Work Indicators: Concepts and Definitions, International Labour Office* (Geneva, 2012), 16–17.
18 Ibid., 15.
19 Through its Sectoral Policies Department, sectoral codes of practice, guidelines, manuals and toolkits have been developed, translated and widely disseminated to help advance its decent work agenda at a sectoral level, See International Labour Organization, "Activities of the Sectoral Policies Department," 2015.
20 International Labour Organization, "Evaluation Report of the Sectoral Action Programmes," 2006; International Labour Organization, "Decent Work."

PRECARIOUS EMPLOYMENT VS. DECENT WORK

It can be helpful to think of decent work as the "flip-side" of precarious employment. While there is no common definition of precarious employment, its characteristics have been well-defined through recent research.

In Ontario, the Poverty and Employment Precarity in Southern Ontario (PEPSO) research project has done much to illuminate this growing problem.[21] Though focused on Southern Ontario, the project has brought the precarious employment term into the mainstream.

In order to better understand the changing nature of employment, the PEPSO research group developed the Employment Precarity Index, based on ten survey questions.[22] Survey results clustered employment into four categories: secure, stable, vulnerable, and precarious.

The researchers found high rates of precarious work in the Greater Toronto and Hamilton Area (GTHA) and a decline of more "traditional" jobs based on the standard employment relationship, that is, a full-time, ongoing job with some form of benefits. These results have troubling implications. The researchers found that precarious workers:

- earn 46 per cent less, on average and have household incomes 34 per cent lower than those with more secure forms of employment
- rarely receive employment benefits beyond a wage (80 per cent report having no benefits, or those that do not cover family members)
- experience more income variability
- are more likely to work unpaid overtime, or not be paid for work completed
- experience worse career prospects, and lower job satisfaction
- rarely receive training provided by their employer and often pay for job-related training out-of-pocket
- experience unexpected changes in working hours, creating stress for financial planning, child care, and a reduction in community engagement and activities
- are more likely to experience periods without work
- often fear negative consequences surrounding issues of employment rights.[23]

Researchers also found that a significant number of those who have full-time employment still have many employment characteristics of those in precarious employment, such as reliance on contract work, scheduling irregularity or lack of retirement benefits.

Many of the characteristics that define precarious employment may also apply to workers in the NFP sector. However, the extent to which precarity exists in and applies to the NFP sector is not yet fully understood. The PEPSO study is limited to one geographic area and does not focus specifically on the NFP sector or the specific dynamics that may be contributing to precarious employment for NFP employees.[24] This is an area for further research.

21 Wayne Lewchuck et al., *It's More than Poverty: Employment Precarity and Household Well-Being*, 2013.
22 The index takes into account: measures of the employment relationship: temporary, permanent, benefits, etc.; measures of expected changes in hours of employment; variability of earnings and scheduling irregularity; ability to voice concerns at work without fear of job loss; how often a person works on-call or is paid in cash; whether a worker is paid if he/she misses a day of work. The index was developed to provide a continuous measure of employment from most to least precarious and allows for inclusion of measures that go beyond the form of the employment relationship. In the future, it may be helpful to use the index within the NFP sector for organizations to consider their employment structures and for sub-sectoral comparison.
23 Ibid.
24 For a discussion of these dynamics see: Donna Baines et al., "Not Profiting from Precarity: The Work of Nonprofit Service Delivery and the Creation of Precariousness," *Just Labour: Canadian Journal of Work and Society 22*, no. Autumn (2014): 74–93.

DEFINING THE VALUE OF DECENT WORK

Why decent work for the not-for-profit sector?

One of the benefits of promoting a decent work vision is that it offers a holistic approach to the many systemic issues facing NFP organizations: from setting minimum employment standards, tackling issues of workplace culture, to questions of social sector funding reform and policy changes that can improve society as a whole. Rather than focusing on areas of weakness in the sector, talking about decent work highlights the choices that people can make about how they structure their organizations, community networks and policy systems.

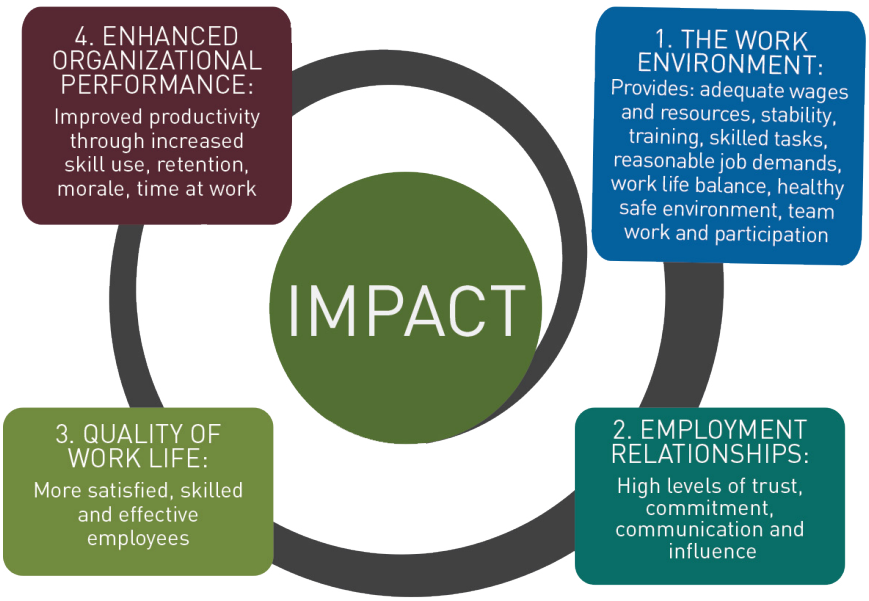
A decent work lens also allows organizations to address an inherent contradiction in the sector — mission-based organizations focused on creating better lives and outcomes for clients and communities may not be providing elements of those same outcomes for their own employees.

Too often, a work environment with strong protections and good working conditions is seen a "nice to have" rather than an integral part of an organization's success. For this reason it is important to make the link between the health of the NFP sector as an employer and its ability to contribute to social progress.

Championing decent work could result in a more powerful sector that has a strengthened ability to meet its mission through mobilizing passionate, engaged and skilled staff to generate better outcomes for communities.

It is through combining structural and workplace culture supports that we begin to see the benefits of a decent work vision for the sector: promoting choices and models that offer a better quality of life for individuals, while at the same time supporting more effective community organizations in making social impact.

FIGURE 2: THE DECENT WORK CYCLE[25]



25 Source: Adapted from Lowe, as cited in Woods, 2008.

What does decent work look like?

But what does decent work look like in practice? The ILO has identified many factors and indicators that contribute to decent work globally.[26] However, not all are relevant to the Canadian context, or to the NFP sector specifically, such as prohibitions against child labour.

Based on our research, the ILO's national elements and the themes that emerged from the focus groups, the following elements of decent work were identified for discussion in the NFP sector. Each element has implications at the organizational, community and policy level. These seven factors are not meant to be an exhaustive list.[27] However, these elements were chosen because they represent a starting point to begin a discussion of what decent work means in the NFP context.

FIGURE 3: ELEMENTS OF DECENT WORK

EMPLOYMENT OPPORTUNITIES
Access to quality jobs is a fundamental element of decent work. At a broad level, this means thinking about the "labour market conditions faced by workers and potential workers, as well as employers."[i] From a sector perspective, employment opportunities may refer to the number of people working in the sector, its growth rate, the quality of those jobs, the demand for talent, and the ability to attract and retain workers with diverse backgrounds and skillsets. It might also include understanding what role volunteers play in the sector and how it relates to employment.
FAIR INCOME
According to the ILO, "in order to be decent, work has to be productive and provide workers with adequate earnings."[ii] One of the most commonly discussed aspects of decent work is the need to provide a fair income. This involves not only thinking about salaries, but also the social protections that ensure income security at a national and provincial scale. It also includes being paid for holiday, parental and sick leave, as well as having steady work hours that allow for a predictable income. For organizations and networks, support for fair income might mean promoting and adopting living wage policies, or other standards that promote income fairness within and between workplaces. Wagemark™ is one example of a choice that organizations can make to demonstrate commitment to fair incomes.

WAGEMARK

Wagemark is an international standard that organizations can adopt to certify that the ratio between the highest and lowest paid full-time employees in an organization is kept within sustainable and competitive limits.[28] The goal of the Wagemark certification is to encourage responsible wage practices and encourage transparency about salaries.[29] Organizations can register with Wagemark for free, or become certified which allows them to use the logo

26 "Toolkit for Mainstreaming Employment and Decent Work," accessed June 15, 2015; Anker et al., *Measuring Decent Work with Statistical Indicators*.
27 In some cases, substantive elements defined by the ILO were combined into broader categories for framing purposes. For example, the issue of safety was raised by the ILO and focus group participants, but was included under equality and rights at work.
28 Wagemark Foundation, "About Wagemark," 2015.
29 Ibid.

HEALTH AND RETIREMENT BENEFITS

Retirement income security and access to essential healthcare are two of the most central elements of the ILO's social protection pillar as a means to improve the lives of many.[iii] It is also an area that is of long-standing interest to the sector. Many see the ability to provide workers with these benefits as a key driver of dignity in the workplace and an essential part of making the NFP sector an employer of choice. NFP employees with access to health and retirement benefits were significantly more likely to report themselves as being satisfied with their jobs and were less likely to report that they were searching for a new position outside of their organization.[iv] For organizations, support for health and retirement benefits might mean ensuring equal access to these benefits for all employees, including part-time and contract workers.

STABLE EMPLOYMENT

Stability is another key factor for promoting decent work. This includes thinking about employment protections and also about specific policies and mechanisms that can be put in place to support sectors that are characterized by high turnover, seasonal or unpredictable work. Job loss has significant effects on both individuals and organizations.[v] For individuals, it can mean increased stress and poor health outcomes, reduced retirement savings and benefits coverage, and if kept out of the job market for longer periods, loss of human capital and skills devaluation.[vi] For NFP organizations, it also means the loss of organizational knowledge and skills, weakened community networks and potential service interruptions.[vii] Stable employment also means having predictable hours of work and scheduling/on-call practices that allow employees to balance work, family and personal time.

OPPORTUNITIES FOR DEVELOPMENT AND ADVANCEMENT

Beyond structural requirements, decent work also requires thinking about the opportunities for training, learning and advancement that are available to workers. This may include formal training and advancement opportunities, but it also includes having a workplace and sector culture that is focused on learning and the development of its employees.

EQUALITY RIGHTS AT WORK

The ability for people to express their concerns, participate equally and feel included and safe in the workplace underpins all aspects of decent work. This includes strong employment standards, establishing codes of conduct, developing proactive policies for diversity and inclusion, ensuring the safety of workers, respecting the mental and physical health of employees and ensuring that employees understand they have the right to organize and speak up about workplace concerns.

CULTURE AND LEADERSHIP

Effective leadership and adaptive work culture is crucial to the effectiveness of any decent work efforts. The regulations, standards and leadership norms that govern workplaces, management styles and work cultures particularly impact the ability of workers to balance work, family and personal time, and receive fair treatment in employment. It is also vital to sustain one's passion and commitment to work. If "decent work sums up the aspirations of people in their working lives,"[viii] then part of this involves being able to place one's work into the broader mission or mandate of the organization. In the NFP sector, while passion for the work drives employees, there is a sense that poor work-life balance contributes to burnout and stress. Effective culture includes having skilled leaders and managers that place value on employees and work to create the conditions that will support them in achieving greater impact. NFP boards have a foundational role to play by setting the standards and policies that support this type of work.

Notes:
i International Labour Organization, *Decent Work Indicators: Concepts and Definitions*, 45.
ii Ibid., 69.
iii International Labour Organization, "Building Social Protection Floors for All," no. May (2015).
iv HR Council for the Nonprofit Sector, *Job Satisfaction and Employee Retention: What's the Connection?*, 2008.
v Richard Anker et al., *Measuring Decent Work with Statistical Indicators, International Labour Review*, vol. 142, 2003, 38
vi Ibid., 142:34.
vii Ibid.; Baines et al., "Not Profiting from Precarity: The Work of Nonprofit Service Delivery and the Creation of Precariousness."
viii International Labour Organization, "Decent Work Agenda."

THE NFP SECTOR AS AN EMPLOYER

Ontario NFPs are at the heart of many efforts to improve the working lives of people. Through community organizing and advocacy, such as campaigns to promote an increased minimum wage,[30] NFPs have a history of working to advance the rights and well-being of individuals. Many in the sector express a strong commitment to social justice and work directly on issues related to poverty, employment, mental health and diversity. However, it is easy to forget that NFPs are employers too. What is the sector's role as an employer? How does it compare when it comes to promoting the same goals for its own employees?

This section:

1) provides a snapshot of the current NFP sector using the elements of decent work outlined above, and
2) outlines some of the distinctive factors that both enable and constrain the sector as an employer.

This section is not meant to provide a definitive overview of the sector's progress on "decent work" but rather to highlight the need for a discussion of how the sector can act as a champion of decent work and the ways that it currently struggles to meet this vision.

Because labour market information for the NFPs has its challenges (see text box below), it is necessary to draw on diverse sources to get a snapshot of the sector as an employer. The 2013 *Shaping the Future* report, developed as part of the Ontario Nonprofit Network's (ONN) human capital renewal strategy, looks at Ontario's NFP sector through a human capital lens.[31] The paper argues that the sector's future vibrancy and sustainability relies on the ability of the sector to attract and retain talent, foster effective leadership, provide the right mix of support and training opportunities, as well as offer competitive benefits and compensation.[32] The data from the report touches on a few key indicators that relate to decent work, as identified above. An image of the sector as an employer was developed using information from the report's survey, the TNC focus groups, as well as other reports and articles.

LABOUR MARKET INFORMATION FOR THE NFP SECTOR

Access to quality labour market information is essential to understanding the sector and how it is doing as an employer. Unfortunately Statistics Canada collects very little data that is focused on the not-for-profit sector specifically. There are two main reasons for this:

1) The NFP sector does not have its own category under the industrial and occupational classification systems used in labour statistics.[33] As a result, labour force data collected by Statistics Canada does not specifically track NFP workers and employers and embeds them into diverse industry categories.[34]
2) As a whole, government has not made investment in NFP data collection a priority. As a result, labour market information for the sector is out of date and incomplete, making it difficult to understand the sector and make detailed labour market decisions. Overall, these challenges highlight the need for official, ongoing labour market data for the sector.[35]

30 Canada 15 and Fairness Minimum Wage Campaign "15 and Fairness," accessed June 2, 2015; "Living Wage Canada: Ontario," accessed June 2, 2015.
31 The HCRS data is based on a survey of NFP leaders conducted in 2013, the survey over-sampled larger organizations and under-sampled smaller organizations in the sector.
32 Elizabeth McIsaac, Stella Park, and Lynne Toupin, "Shaping the Future: Leadership in Ontario's Nonprofit Labourforce," The Mowat Centre, 2013.
33 See North American Industry Classification System (NAICS), and the International Standard Industrial Classification of All Economic Activities (ISIC). HR Council for the Nonprofit Sector, *Developing Labour Market Information for the Nonprofit Sector* (Ottawa, ON, 2011; United Nations, *International Standard Industrial Classification of All Economic Activities* (New York, 2008).
34 This issue is not unique to Canada. In 2003, the United Nations released a handbook to help promote the development of official data on NFPs, see United Nations, "Handbook on Non-Profit Institutions in the System of National Accounts," *Studies in Methods, Handbook of National Accounting F*, no. 91 (2003): 327.
35 For a discussion of the sector's data needs, see HR Council for the Nonprofit Sector, *Developing Labour Market Information for the Nonprofit Sector*; Jamie Van Ymeren, "An Open Future: Data Priorities for the Not-for-Profit Sector," *Mowat Centre*, 2015. A 2011 report presented to the Toronto Workforce Innovation Group highlights the challenges with NFP labour market information at a local level. See Tom Zizys, "Not Working For Profit: A Labour Market Description of the Non-Profit Sector in Toronto," *Toronto Workforce Innovation Group*, Ontario Nonprofit Network, 2011, 45.

A snapshot

EMPLOYMENT OPPORTUNITIES

The NFP sector is a significant employer in Ontario. Based on available data, it consists of over 55,000 organizations, employing approximately 600,000 full-time workers, 400,000 part-time workers and engaging millions of volunteers each year.[36] With approximately one million workers in the province, it is important to consider the quality of employment opportunities that are being offered by the sector.

When thinking about how the sector can champion decent work, size is an important consideration to take into account that will undoubtedly influence the strategies that organizations pursue. Most NFPs are small employers. Many have no paid employees at all. The 2003 NSNVO survey found that 54 per cent of NFPs in Canada are run entirely by volunteers.[37] Of organizations with at least one paid employee, 58 per cent have between one and four employees. Conversely, large employers (over 100 employees) make up only 3.1 per cent of organizations in the sector, yet are responsible for 53 per cent of the sector's employees.[38]

FIGURE 4: DISTRIBUTION OF EMPLOYERS AND EMPLOYEES BY NUMBER OF EMPLOYEES (NSNVO 2003)

NUMBER OF EMPLOYEES	EMPLOYERS %	EMPLOYEES %	
			N
1 - 4 employees	57.5	6.9	81,870
5 - 9 employees	17	6.3	75,266
10 - 24 employees	14.2	11.9	141,099
25 - 99 employees	8.3	21.5	254,349
100+ employees	3.1	53.4	633,177
All	100	100	1,185,762

This dichotomy raises some interesting questions. If large organizations employ the bulk of workers in the sector, to what extent are they already offering conditions that can be considered "decent"? What can they be doing better? How can they lead? What have they done that can be adapted to smaller organizations?

For smaller organizations with few paid staff, what are the supports that they need to promote decent work? How can NFPs work together to make strategic investments?

There is also a need to further explore the role of volunteers in the sector. Many see volunteers as a vital aspect of the "voluntary sector" and see their involvement as an important part of building community relationships. Across Canada, volunteers devoted just less than two billion hours to volunteer activities in 2013, the hourly equivalent of approximately one million full-time jobs.[39] In a system of scarce funding, what role do they play within organizations? Do volunteers influence the employment situation within organizations? How can organizations manage them effectively?

From the perspective of volunteers, the reasons people choose to volunteer are diverse. For some, volunteering is related to personal calling and mission, the desire to participate in one's community. For others, volunteer work is a means to access the labour market. Those in insecure employment are more

36 Michael Hall et al., *Highlights of the National Survey of Nonprofit and Voluntary Organizations: 2003 Revised, Statistics Canada* (Ottawa, ON, 2005); Statistics Canada, *Satellite Account of Non-Profit Institutions and Volunteering* (Ottawa, 2007); Mark Blumberg, "FIPPA List of Ontario Non-Profit Corporations," *Blumberg Segal LLP*, March 20, 2014.
37 Hall et al., *Highlights of the National Survey of Nonprofit and Voluntary Organizations: 2003 Revised.*
38 NSNVO 2003 prepared for HR Council, 2003.
39 Statistics Canada, "General Social Survey: Giving, Volunteering and Participating, 2013," *Statistics Canada*, January 30, 2015.

likely to volunteer for this reason, making it doubly important to ensure a valuable volunteering experience.[40] Recognizing these needs, how can NFPs engage with volunteers through the lens of decent work?

FAIR INCOME

When asked what decent work means to them, focus group participants identified having a fair wage as an important element of decent work. Participants often noted that this meant at least a living wage. Findings from the focus groups also highlighted the need to understand compensation in the sector, both within specific sub-sectors, but also how it compares to other industries.

It is unclear to what extent organizations are offering employees a fair income and what "fair" means in the NFP context. One of the challenges of assessing the sector's standing in relation to fair income is that there is a lack of official information regarding wages and salaries in the sector, making it difficult to compare to other sectors and track income changes over time.

However, the 2013 *Canadian Nonprofit Sector Salary and Benefits Study* by Charity Village can provide some insight into NFP compensation based on self-reported data.[41] The survey analyzes NFP compensation across six job level categories and against a variety of focus areas, including region, size, sub-sector, organizational status, education level, gender and jurisdiction. A chart that shows average compensation by job level categories in Ontario regions can be found in *Appendix 2*.

Overall, the survey found that compensation is growing slowly in the sector.[42] As expected, larger cities and larger organizations tend to have higher salaries than smaller organizations and smaller communities. Survey respondents were heavily concentrated in Ontario, so the survey did not break down the data by each province individually. However, the Greater Toronto Area, Ottawa and Alberta were among the regions with the highest average salaries, possibly due to the higher concentration of nationally focused organizations.[43]

Looking across positions, there seems to be a significant gap between average management and staff level compensation. At the national level, the average salary for the chief executive role of an organization was $90,135, or $45.45 per hour, and the average compensation for a staff level employee was $44,740, or $22.56 per hour. However, these averages may not represent significant disparities between regions, between organizations or capture the realities of frontline workers who may not be working full-time or be paid as highly. Overall, the survey raises many questions regarding the extent to which the sector offers fair income for the complexity and difficult nature of the work being carried out at all levels. There is a need for better information that allows employers and policymakers to compare compensation across provinces, sub-sectors, regions and positions.

40 Wayne Lewchuck et al. *The Precarity Penalty. PEPSO Research Group*, 125.
41 It is important to note that the compensation listed in the survey may be higher than official data would report since the reported salaries represent only NFP organizations that participated and part-time salaries were adjusted to a full-time equivalent based on hours worked. See, Charity Village, *Canadian Nonprofit Sector Salary and Benefits Study*, 2013, 3.
42 Charity Village, *Canadian Nonprofit Sector Salary and Benefits Study*, 2013.
43 Ibid., 12.

PROMOTING FAIR INCOME IN COMMUNITIES: LIVING WAGE AND INCREASED MINIMUM WAGE CAMPAIGNS

The growing living wage movement in Canada is a good example of community efforts toward decent work. Living Wage Canada supports the living wage movement nationally by providing a common definition and methodology for calculating the living wage in different regions of the country.[44] It provides tools and research to help organizations and communities understand the economic and social benefits of higher wages.

Ontario communities of varying sizes, including Toronto, Hamilton, Kingston, Windsor, and St. Thomas, have already established local portals to provide guidance and encourage more organizations to become living wage employers. In Hamilton and Kitchener-Waterloo, the idea is being promoted through recognition programs that acknowledge the series of steps employers can take toward paying a living wage to all workers in their organizations.

Many of the earliest champions of these efforts have been NFPs. For example, in Waterloo Region, NFPs have been some of the most accomplished supporters of living wage adoption offering a living wage to all full-time and part-time employees, including students and ensuring that all contractors pay at least a living wage.[45]

However, there are some concerns that implementing living wage policies could disadvantage NFPs, or have little impact on communities, if the legislated wage floor is too low to support decent work. Consequently, some Ontario NFPs are also supporting the *$15 and Fairness* campaign to raise the minimum wage for employees in all sectors.[46]

STABLE EMPLOYMENT

Decent work involves thinking about the relative stability of a worker's employment. Based on the *Shaping the Future* findings, for organizations with at least one paid employee, approximately 53 per cent of employees are in full-time, permanent positions. However, there is also a large contingent of part-time and contract workers, 28 per cent and 19 per cent respectively (see Figure 5).

The extent to which the large contingent of part-time, permanent employees (28 per cent of workers) might be considered stable is unclear, since flexible career options may be a draw for employees looking to balance work and family responsibilities.[47] However, focus group participants noted that part-time positions often lack benefits and were concerned about their growing prevalence.

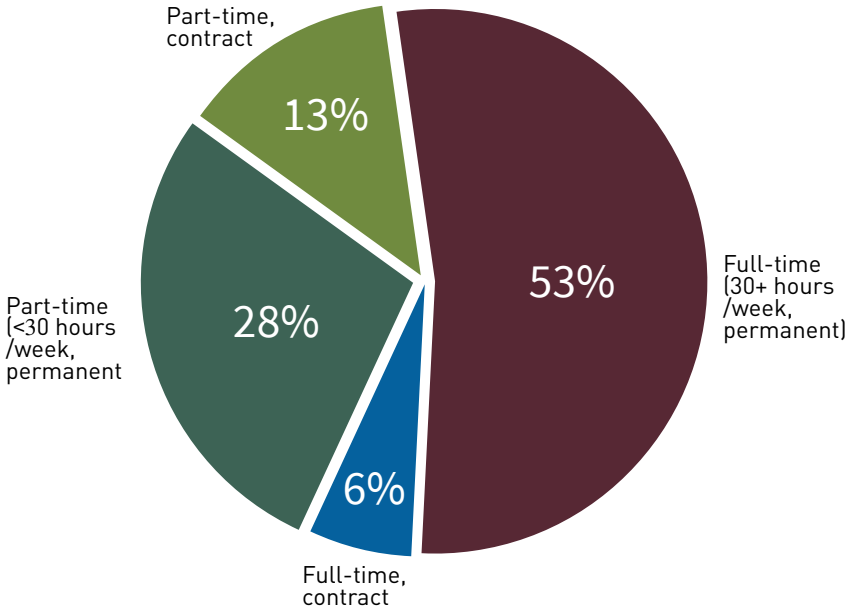
For contract workers, focus group participants recognized that roles are often tied to funding to the projects that they are working on but felt that they should be provided with a greater sense of job security, even if this only meant matching contract length to the full-grant term.

The survey did not ask about job tenure, but 27 per cent of organizations who responded to the question cited a lack of full-time positions available within their organization as a retention challenge.[48]

44 Living Wage Canada. "Living Wage Canada: Ontario," 2015.
45 Living Wage Waterloo Region, "Living Wage Waterloo Region," 2015.
46 2015 Campaign for $15 and Fairness. "15 and Fairness," 2015.

47 HR Council for the Nonprofit Sector, *Boomer Bridging: Tapping into the Talents of Late Career Employees*, 2010.
48 Survey respondents selected "only short-term/temporary/contract positions are available" and/or "only part-time positions are available" as retention challenges.

FIGURE 5: EMPLOYMENT STATUS



FLEXIBILITY AND TEMPORARINESS

Tension between the idea of flexibility and "temporariness" may be a challenge for the sector. On one hand, flexible career options may be a draw for employees looking to balance responsibilities, or retirees hoping to work part-time.[49] In this sense, workplace flexibility is often seen as an attraction factor and promoted as a tool that can be used to support and help retain employees.[50]

On the other hand, this temporary culture may be negatively contributing to the rise of contract and unstable employment, lower wages, shift work, and fewer benefits and pensions in the sector.[51] A 2014 article on precarity in the work of NFP service delivery organizations casts this uncertainty as a reinforcing loop. The authors argue that in the case of the NFP sector, precariousness is woven into the structures of organizations and is carried over into their employment practices.[52] The result is:

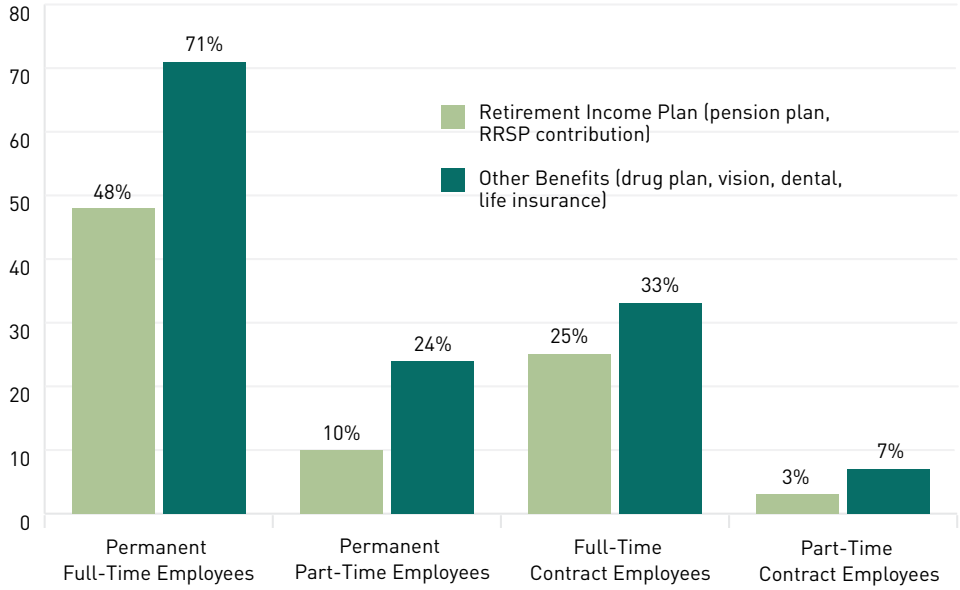
- high levels of job insecurity experienced by frontline and managerial employees (due to short-term contract funding)
- organizations are under constant threat of de-funding, as a result, organizations are operated with a "temporariness" mindset that inhibits long-term investment. The authors noted concerns of financial sustainability as a constant refrain from interviewees
- organizational insecurity results in service gaps, poor community connections[53] and discontinuation of services or programs.[54]

49 Ibid.
50 Terri Woods, *Untapped Potential Fostering Organizational Social Capital in the Nonprofit and Voluntary Sector* (Muttart Foundation, 2008).
51 PEPSO 2013; Clutterbuck and Howarth, 2009; Akingbola, 2004; Community Development Halton, 2007; Daya et al., 2004; Eakin and Richmond 2005; Evans and Shields, 2010; McMullen and Schellenberg, 2003; Saunders, 2004; Baines et. al. as cited in Elizabeth McIsaac, Stella Park, and Lynne Toupin, "Human Capital Renewal in the Nonprofit Sector: Framing the Strategy," *Mowat Centre*, 2013.
52 Baines et al., "Not Profiting from Precarity: The Work of Nonprofit Service Delivery and the Creation of Precariousness.
53 More difficult to strengthen and/or maintain community connections and also causes difficulties in reaching clients/target groups.
54 Ibid.

HEALTH AND RETIREMENT BENEFITS

The absence of benefits (drug, vision, dental, pension, or life insurance) may be a barrier to decent work in the NFP sector, especially for the sector's large contingent of part-time permanent workers. Of the 28 per cent of workers who were classified as permanent, part-time, less than a quarter were reported to have access to benefits such as drug, vision, dental and life insurance. Access to retirement income plans is even lower. Only 10 per cent had access to some form of retirement income plan. Overall, workers are more likely to receive medical benefits than retirement plans. Unionized employees are more likely to receive health and retirement benefits than non-unionized employees (for more discussion on unions see text box on pg. 19).

FIGURE 6: EMPLOYEE ACCESS TO RETIREMENT INCOME PLANS AND OTHER BENEFITS



Access to health and retirement benefits was an element of decent work raised by all focus groups. In particular, some participants noted the need to ensure that all workers, regardless of employment status, had access to these supports. This element also aligns with the ILO's social protection pillar, which highlights the need to expand the coverage and effectiveness of social security supports at a country level.

A SECTOR PENSION? AN EXAMPLE FROM QUEBEC

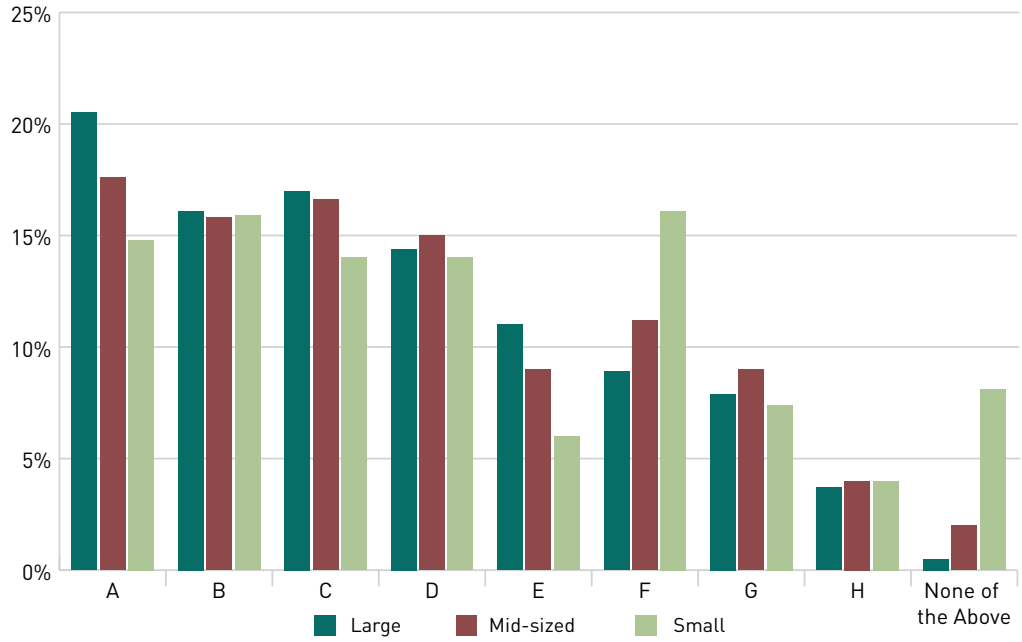
The *Régime de Retraite des groupes communautaires et de femmes* was created in 2008 to provide an inter-organization defined benefit pension plan for the NFP sector. Under the model, community organizations may choose to adhere to the plan if they meet the mission related requirements. In order to capture the varied forms of employment that exist in the sector, the plan attempts to cover a variety of options under its eligibility requirements. When an employee leaves an organization, they have several transfer options for their funds. If they are switching between organizations that also have the pension plan, their pension follows them (and their salary contribution levels would adjust to the new workplace). The plan currently has 4020 participants from 566 organizations and holds over $32 million in retirement savings.[55]

55 Régime de retraite des groupes communautaires et de femmes, "Régime de Retraite Des Groupes Communautaires et de Femmes," 2015.

OPPORTUNITIES FOR DEVELOPMENT AND ADVANCEMENT

The NFP sector may also be challenged in its ability to offer meaningful opportunities for professional growth, skills development and advancement. A 2011 HR Council survey on the state of skills development in the Canadian NFP sector found that 90 per cent of NFP organizations had participated in some form of professional development and training.[56] In terms of types of training activities pursued, organizations tended to pursue lower cost, more informal types of training and smaller organizations were more likely to engage in cooperative professional development activities within the sector.

FIGURE 7: TYPES OF TRAINING USED (LAST THREE YEARS) (HR COUNCIL, 2011)



A: In-house training course/workshops (provided by your manager or HR department)

B: Peer mentoring and skills sharing (internal or external)

C: Coaching of your own staff by other staff

D: Mentoring of staff (internal or external)

E: Work shadowing (staff shadow someone while they do their job)

F: Inter-organizational professional development sharing (with others in the voluntary sector)

G: Cross-sector professional development sharing (learning from peers in for-profit sector)

H: Cross-sector professional sharing (learning from peers in government)

However, it is unclear whether or not these forms of training offer meaningful opportunities to employees and the extent to which organizations are able to incorporate training and development into their strategic planning. The report found that it was "clear that organizations in the sector are not spending (or do not have the resources to spend) sufficiently on training and professional development," and "while larger organizations spend more on training annually than smaller ones, it is not clear that they are spending enough."[57]

Overall, this aligns with the *Shaping the Future* findings that suggest there is low investment in training by organizations due to capacity challenges.[58] This is troubling for the vibrancy of the sector as a decent work employer. Providing the right mix of support and training opportunities to workers is essential to attracting, developing and retaining talented, passionate individuals who can achieve social impact.

56 HR Council for the Nonprofit Sector, *Current State of Skills Development: The Canadian Nonprofit Sector*, 2011.
57 Ibid., 25.
58 McIsaac, Park, and Toupin, "Shaping the Future: Leadership in Ontario's Nonprofit Labourforce," 17.

DEVELOPMENTAL SERVICES HR STRATEGY: BUILDING STRENGTH WITHIN A SUB-SECTOR

The Developmental Services HR Strategy in Ontario, is an example where much work has been done to make the developmental services a more valuable career choice for workers in Ontario.[59]

In 2007, the developmental services sector in Ontario was facing a number of human resources challenges. High turnover, skills shortages, inconsistent training, and recruiting issues interfered with the quality of support the sector was able to deliver to clients and their families.[60]

To address these challenges — occurring in an already complex and changing delivery environment — a collaborative effort among five provincial networks representing developmental services organizations and the Ministry of Community and Social Services was launched in 2008. The aim was to professionalize the sector as a whole and make employment in developmental services a more attractive and valuable career option.

Part of the resulting sector-wide HR strategy has focused on developing a set of core competencies and skills across a diverse landscape of developmental service organizations. Succession planning, mentoring programs, leadership training, and ongoing evaluation efforts have also been instituted. The sector-wide approach, which prioritizes consistent access to tools and training, also ensures smaller organizations with lower capacities are able to acquire critical skills to improve client experiences.

Queen's University is currently engaged in an evaluation of the HR strategy and will report on its success in improving job satisfaction, employment engagement, retention and recruitment in the near future.

59 Developmental Services HR Strategy, "DS HR Strategy". 2007-2015.
60 Developmental Services HR Strategy. "Building Human Resource Capacity: Core Competencies for the Developmental Services Sector." *DS HR Strategy*. October 2009.

This suggests the need for further research on new models for training and leadership development in low-capacity sectors. One idea that has been suggested is a sector strategy that focuses on skills development and core competencies for workers in the sector. This may involve the development of career pathways through formalized skills development strategies within sub-sectors, or be part of a broader sector strategy focused on barriers to meaningful employment in the sector overall.[61]

At an organization and sector level this might mean adopting an *investing in people* approach to training and development, finding strategic ways to incorporate training that matches the budget, size and goals of the organization.

EQUALITY AND RIGHTS AT WORK

A focus on rights and equality at work includes strong employment standards, respecting the mental and physical health of employees, developing proactive policies for diversity and inclusion, and ensuring that employees have the right to organize and speak up about workplace concerns.

Focus group participants talked about the need for a sense of safety at work and a workplace free of harassment. Among participants (who work in the social services sector), there was a sense that staff dealt with many crises and violent behaviour and that in some cases, staff did not have the training or skills to de-escalate the situation. There is a lack of data on the scope of safety challenges in the NFP sector as a whole, but studies have shown that safety issues and violence are often overlooked in the human and social services sector.[62] There are concerns that "lean" staffing models mean that staff do not have the opportunity to learn safety protocols or have the support needed when something goes wrong.[63] It is also unclear whether

61 Conway, Maureen. Sector Strategies and Skills Pathways, Aspen Institute, 2007.
62 Baines, Donna. "Women's occupational health in social services: Stress, violence, and workload." *Canadian Woman Studies*, 23(3), 2004, 157-164, and Kosny, Agnieszka and Ellen MacEachen."Gendered, Invisible Work in Non-Profit Social Service Organizations: Implications for Worker Health and Safety." *Gender, Work & Organization* 17 (4), 2010, 359-380.
63 Baines, 2004.

most organizations make health and safety a priority and develop safety plans for workers. With workplace safety legislation in Ontario that includes provisions related to workplace violence, there may be a need for further education of employers regarding their duties to workers.[64]

The extent to which these pressures may undermine the mental health of NFP employees is often ignored.[65] In recent years, there has been a growing recognition of the mental health challenges that many people face and the importance of mental health in the workplace. A 2014 survey by Morneau Shepell found that 33 per cent of working Canadians currently suffer or have suffered from a mental health condition.[66] As the relationship between work issues and mental health concerns is better understood, it is important that the sources of stress, anxiety and burnout in the sector are identified and reduced through strategies that support and respect the mental health of employees. A workplace that values diversity and inclusion was also identified as an important aspect of decent work. Ensuring decent working conditions on this front requires a commitment to both workplace rights and an inclusive work culture. Focus groups noted that many organizations had anti-oppression and anti-harassment policies but concerns about on-going employment status may prevent employees from acting on them. The *Shaping the Future* findings also highlight the need for better diversity and inclusion strategies in the NFP sector. Many organizations in the sector do not have proactive diversity strategies at the organizational or leadership levels. However, as the 2014 *Diversity and Inclusion: Valuing the Opportunity* report states, a NFP sector that takes advantage of the diversity of its community will benefit through more engaged employees, a more reflective community voice, enhanced services and increased resilience.[67]

UNIONS IN THE SECTOR

Given that promoting social dialogue between employers and employees is a key pillar of decent work as defined by the ILO, what role can unions play in contributing to a decent work movement in the NFP sector? The sector has a low union density, at only 14 per cent based on survey findings.[68] However, workplace size may play a role, as most NFPs have five or fewer employees. Though the overall rate is low, a larger percentage of the workforce may be covered, since larger organizations are more likely to be unionized. The survey found that 50 per cent of workplaces with more than 51 employees were unionized.[69]

Historically, unions have played a major role in providing a voice for workers to improve working conditions and standards of living. Participants noted the key function they play in offering mechanisms and support for dealing with on the job issues, such as harassment and grievances. Unionized NFPs are more likely to provide health and retirement benefits to workers, however, focus group participants also noted that in situations where jobs are contingent on funding, unions may not able to provide the same security and job stability within individual organizations. However, there may be creative models at a sub-sector and sector level to address these issues. This is an area for further research.

64 Ontario Ministry of Labour. "Workplace Violence and Workplace Harassment," Revised November 2013.
65 Baines, 2004; Kosny and MacEachen, 2010.
66 Morneau Shepell Research Group, *Workplace Mental Health Priorities*, 2014, 2.
67 Elizabeth McIsaac and Carrie Moody, "Diversity & Inclusion: Valuing the Opportunity," *Mowat Centre*, 2014.
68 McIsaac, Park, and Toupin, "Shaping the Future: Leadership in Ontario's Nonprofit Labourforce."
69 Ibid.

CULTURE AND LEADERSHIP

Finally, decent work involves fostering employment that draws on worker's passions, allows employees to balance work, family and a personal life and is supported by effective, people-focused leaders. Investing in a work culture that focuses on values, fulfillment and organizational-personal development can help to achieve this vision.

One of the greatest strengths of the NFP sector is the passion that many workers feel toward their organization's mission. From the focus groups, there was a sense that those who choose employment in the NFP sector have done so because of concerns around social justice or making the world a better place. Mission-driven organizations may have a natural advantage on this front, however passion is not always enough to sustain employee engagement and fulfillment. Is passion at risk in the NFP sector? Some participants suggested that social justice is less of a motivating factor for younger employees than previous generations, while others argue that commitment is under stress due to poor working conditions and a lack of engagement opportunities for employees.

Much of this relates back to the question of work-life balance in the sector. Especially in areas that involve service delivery, employees reported feeling obligated to carry out duties above and beyond their positions because of the negative effects on clients and community if the work was not carried out. This stress is echoed by leaders in the *Shaping the Future* findings — 32 per cent of leaders identified balancing personal life and work as a competency that they needed to develop.[70] However, work-life balance is difficult to achieve in practice. Focus group participants noted that there are often excellent and well-intentioned policies in place that fail in their implementation. The *Shaping the Future* report argued that the challenges reported by leaders "may be an important indicator of the need to rethink the model of leadership in place, and whether current structures and expectations are sustainable."[71]

Effective culture requires skilled leaders and managers that place value on their employees and work to create the conditions that will support them in achieving greater impact. This includes ensuring that leaders have the skills needed to manage and lead. However, organizations report many resource challenges in developing leaders within their organizations.

In the survey, organizations reported:

- a lack of time and resources to dedicate to high performing employees – 44 per cent and 58 per cent respectively
- insufficient opportunities for promotion within their organization – 51 per cent of organizations
- a lack of sustainable funding to dedicate to leadership development – 46 per cent.[72]

There are also questions regarding the effectiveness and focus of current development opportunities. Reported leadership development activities show a lack of management-focused leadership development. For leaders, "the most common leadership development activities identified were workshops, conferences and seminars, peer networks, and membership in professional associations,"[73] activities most likely focused on mission awareness. While these activities are valuable, they do not address the challenges faced in developing leaders that can effectively empower and support employees.

NFP boards have an important role to play on this front. Effective boards can contribute to decent work by ensuring that they hire effective, people-focused leaders and establish the guiding principles and policies for a supportive work environment. They also have a role to play in ensuring that those policies and principles are being implemented and upheld — including prioritizing professional development investments or plans for leaders.

70 McIsaac, Park, and Toupin, "Shaping the Future: Leadership in Ontario's Nonprofit Labourforce," 36.
71 Ibid.
72 Ibid.
73 Ibid., 39.

SOCIAL CAPITAL IN ORGANIZATIONS

In recent years, there has been growing interest in how social capital, or "the assets inherent in relationships,"[74] benefits individuals, organizations and communities.[75]

Applying the concept to not-for-profit organizations, Schneider defines social capital as: "relationships based in patterns of reciprocal, enforceable trust that enable people and institutions to gain access to resources like social services, volunteers, or funding."[76] This definition highlights that social capital exists at different levels: referring to bonds within an organization, but also to how organizations develop connections with communities and other organizations to carry out their work.

While the strength of networks within and between organizations may not seem important, in fact it is a key element of any organization or sector that is reliant on the strength of its people. Cohen and Prusak highlight the benefits of higher social capital within organizations:

- better knowledge sharing, due to established trust relationships, common frames of reference, and shared goals
- lower transaction costs due to high levels of trust and cooperative spirit (within the organization and between organizations and partners)
- lower turnover rates, reduced severance costs, hiring and training expenses, avoided [service gaps] associated with frequent personnel changes, and maintaining valuable organizational knowledge
- greater coherence of action due to organizational stability and shared understanding.[77]

Social capital encompasses the less tangible aspects of work, such as the desire for membership within a group, the satisfaction gained from peer recognition and the pleasure gained from helping one another.[78] It is social capital that allows individuals within an organization to work productively and effectively with one another and is especially important for ensuring that employees derive meaning from their work. It is this passion for the work that many in the sector point to as being one of the main strengths and attraction for working in the NFP sector.[79] It is therefore critical that NFPs take care to foster their organization's social capital and ensure it is not threatened through precarious work and poor working conditions.

Barriers to decent work

Implementing decent work in the sector will require a commitment to decent work practices and in many cases, financial backing. It will involve:

- ensuring that workers have the financial means to stay in the sector, including health and retirement benefits
- creating conditions so that employees can see opportunities for development and advancement, either within their organization or elsewhere in the sector
- promoting strong leadership skills so that managers can effectively lead their organizations and frontline workers feel supported.

However, lack of funding is often cited as a main barrier in making these types of investments.

74 Woods, *Untapped Potential Fostering Organizational Social Capital in the Nonprofit and Voluntary Sector.*
75 There is much scholarly debate over different definitions of social capital, but as Schneider argues, these "various definitions of social capital all contain the same three elements—networks, trust, and norms or culture." Jo Anne Schneider, "Organizational Social Capital and Nonprofits," *Nonprofit and Voluntary Sector Quarterly* 38, no. 4 (2009): 643–62.
76 Ibid.
77 Don Cohen and Laurence Prusak, *In Good Company: How Social Capital Makes Organizations Work* (Harvard Business Press, 2001).
78 Ibid.
79 Woods, *Untapped Potential Fostering Organizational Social Capital in the Nonprofit and Voluntary Sector.*, p.26

FUNDING CHALLENGES: WHERE DOES THE MONEY COME FROM?

It is difficult to see how the sector can move forward with decent work practices without a discussion of the changing funding environment in which organizations are operating. Changes in donor giving behaviour, combined with the introduction of new funding models by government and other grant-makers mean that many organizations are struggling to adapt and are seeking new forms of revenue. This creates a very competitive environment for funding. Problems are exacerbated by legislative and regulatory structures that inhibit long-term planning and flexibility for organizations.

Without systemic change, limited funding opportunities, increased competition for funding, and funding constraints will undoubtedly impact the sector's ability to implement decent work practices such as fair wages, professional development, and more secure jobs.

One of the challenges is the changing profile of donors in Canada. Though the overall amount of charitable donations has risen, proportionally fewer Canadians are giving and younger donors may not be replacing older donors fast enough.[80] Those who do donate are giving larger contributions.[81] What this means for the diversification of charitable dollars is not clear. According to Imagine Canada, "the top one per cent of organizations command 60 per cent of all revenues."[82]

Perhaps as a result, more and more organizations are relying on mixed revenue streams to finance their activities. There is no standard income profile that fits for the entire NFP sector, but data has shown that NFPs rely on a mix of government funding, earned income, and donations:[83]

> "sales of goods and services are, by far, the most important source of revenue for the core non-profit group in 2007, accounting for 45.6 per cent of the total income. Government transfers were also significant at 19.7 per cent. In addition to these funds, core non-profit institutions derived roughly one-third of their revenue from three additional sources: membership fees (15.9 per cent), donations from households (12.0 per cent) and investment income (4.9 per cent)."[84]

The way that funding is disbursed has also changed. It is no secret that the NFP sector has seen a decline in core funding and a shift toward project-based funding models, often with restrictions on how organizations can spend. As the 2013 *Human Capital Renewal in the Nonprofit Sector* report argued:

> "Project-based funding is short-term and unpredictable and contributes to "temporariness" in the sector. When funders restrict funding it limits what organizations can spend on overhead. This can lead to lower wages, increased part-time and contract employment, and fewer benefits and pensions."[85]

At the same time, governments and funders are increasingly moving toward new funding models focused on measuring outcomes and impact. As a result, organizations are placed under increasing pressure to demonstrate organizational efficiency and outcomes in their communities.[86] This increased focus on accountability requires greater measurement capacity within organizations, potentially requiring increased training or recruitment to develop these new skillsets.[87]

As NFPs seek out more diverse funding streams, the number of funders per organization will also rise. This means more resources spent on financial administration, monitoring, reporting

80 Martin Turcotte, "Volunteering and Charitable Giving in Canada," *Statistics Canada*, 2015, 18.
81 Ibid.
82 See Imagine Canada, "Key Facts about Canada's Charities," 2015; Scott et al., *The Nonprofit and Voluntary Sector in Ontario: Regional Highlights from the National Survey of Nonprofit and Voluntary Organizations*.
83 Ibid., 17; Statistics Canada, *Satellite Account of Non-Profit Institutions and Volunteering*.
84 Statistics Canada, *Satellite Account of Non-Profit Institutions and Volunteering*.
85 McIsaac, Park, and Toupin, "Human Capital Renewal in the Nonprofit Sector: Framing the Strategy," 6.
86 Ibid.
87 Ibid.

and fundraising. Combined with the need to shift to and report on new outcomes models, organizations are increasingly stretched on the administrative front. The costs related to these forms of transparency and accountability cannot be ignored. Organizations must have the flexibility to make the investments needed to support staff in carrying out these new demands. As new models of funding, governance and accountability are introduced in the sector, it is important that the outdated legislative and regulatory structures that govern NFPs and charities are also updated to ensure that organizations can effectively carry out their missions.

ADMINISTRATIVE COSTS AND DECENT WORK

NFPs face a lot of pressure to keep administrative (overhead) costs low and direct as much revenue as possible to delivering programs. In recent years, the idea of maintaining low administrative or fundraising ratios has become a popular substitute for measuring organizational effectiveness by many donors and charity watchdogs.[88]

In part, this is because the sector does not have reliable comparative information or metrics for charities and NFPs. However, low administrative costs cannot be an accurate determination of effectiveness, as organizations vary significantly depending on size, geography, sub-sector and year, with some requiring greater expenses than others.[89]

In Canada, fundraising ratios for charities are guided by the Canada Revenue Agency. The suggested guideline for fundraising expenses is 20 to 35 per cent — any charity spending more than 35 per cent of revenues on fundraising can lead to a review.[90] However, in recent years, the idea of an overall 20 per cent overhead ratio has become the norm in the broader NFP sector, driven by unrealistic expectations by funders and the public, as well as organizations themselves.[91] In Ontario, this number is often even lower. For example, Ontario transfer payment recipients have a Ministry-set target of 10 per cent for central administration expenses.[92] A 2009 article labelled the cycle of underinvestment in administration as the "nonprofit starvation cycle."[93]

Beyond being unrealistic, there is evidence that low overhead costs can be counterproductive.[94] Without accurate financial data it is difficult to understand what the ideal range for overhead costs should be and learn about what makes organizations effective. Investments in the people, processes, and technology that fall under the rubric of "administrative costs" can improve efficiency over time. For instance, a one-time investment in technology can reduce ongoing staffing costs by eliminating duplicative intake, data entry, or reporting processes.

Many sector champions like Imagine Canada, ONN and Canada Helps have advocated for less focus on expense ratios and more on impact and outcomes.[95] In the United States, Charity Navigator, the Better Business Bureau Wise Giving Alliance, and GuideStar have pushed back against the notion of overhead ratios as the sole measure of effectiveness. The organizations launched The Overhead Myth campaign in 2013 to bring attention to the issue.[96] They encourage organizations not to celebrate low overhead ratios, but rather share information on their goals, resources required to achieve them, and data about performance as a way to help educate funders (individuals, foundations, corporations, and government) on the real cost of results.

88 Kennard Wing and Mark A. Hager, "Getting What We Pay For: Low Overhead Limits Nonprofit Effectiveness," Urban Institute, Indiana University. August 2004.
89 Mark Blumberg, "How Much Should A Canadian Charity Spend on Overhead?" Global Philanthropy. 2010.
90 "Fundraising by Registered Charities," Canada Revenue Agency. April 20, 2012.
91 Anne Goggins Greggory and Don Howard, "The Nonprofit Starvation Cycle," Stanford Innovation Review. Fall 2009.
92 Ontario Ministry of Community and Social Services and Ministry Children and Youth Services, "Transfery Payment Agency Training Session" (presentation, Transfer Payment Agency Training Session, Hamilton-Niagara Region, February 6, 2013).
93 Goggins Greggory and Howard, "The Nonprofit Starvation Cycle."
94 Kennard Wing and Mark A. Hager, "Getting What We Pay For: Low Overhead Limits Nonprofit Effectiveness," Urban Institute, Indiana University. August 2004.
95 Devon Hurvid, "From starvation to Celebration: 5 ways your charity can help change the overhead conversation," Imagine Canada. July 2015; Marina Glogovac, "Admin Ratio Is a Poor Indicator of a Charity's Effectiveness," *Huffington Post*. September 17, 2015.
96 "Charities Urged to Crush Overhead Myth and Take Actions Toward an Overhead Solution," GuideStar, News Release. October 21, 2014.

However, it may be difficult to move away from this ratio without agreed upon measures that help determine organizational effectiveness. There may be a need for the sector, funders and government to come together to develop new measures that take organizational transparency, governance, leadership, results and finances into account.[97]

FUNDING REFORM AS DECENT WORK

Accountability practices play an important role in ensuring that public and charitable dollars are used responsibly, but there is a need to balance prudent oversight with the need to limit perverse incentives placed on NFPs through funding models that inhibit long-term planning.

More predictable and adaptable funding and contract models should be explored that take into account the long-term needs of organizations.[98] This may involve re-thinking how — and at what level — organizations are funded to reduce the precarity of the workers employed in the sector. If reducing the precarity of workers and investing in a healthy labour pool is a key concern of government and the NFP sector, funding models must take into account cost-of-living increases and/or living wages in contracts. More consistency on allowable costs and the creation of standardized accounting models could also go a long way to reducing organizational insecurity and allow organizations to make informed planning decisions.

Funders can also better support grantees in achieving outcomes by designing funding models that are flexible but have predictable timeframes and expectations.[99] There are steps that funders can take to reduce administrative burdens, streamline measurement and reporting practices, and build relationships with organizations they are funding to ensure that funding arrangements are mutually beneficial.[100]

97 GuideStar, "The Overhead Myth," 2014.
98 A 2009 report from the BC Government Nonprofit Initiative (GNPI) argued for the need to develop flexible, multi-year agreement frameworks that fit with the NFP business cycle – including aligning NFP and government fiscal year deadlines, retention of funding surpluses and other cost-saving incentives. Government Nonprofit Initiative Task Force, *Human Resources Issues In BC's Non-Profit Sector*, 2009, 41.
99 Marilyn Struthers, *Fair Exchange: Public Funding for Social Impact through the Non-Profit Sector*, 2013.
100 Ibid.

CULTURE AND LEADERSHIP

Ironically, the strength of the sector — its dedication to mission — may also serve as one of the barriers to decent work. Passion as a dominant motivation in situations of scarce resources can lead to difficult trade-offs for organizations. This can translate into an over-emphasis on allocating resources to serve the community (those served by the mission) over serving the needs of employees. Although these trade-offs are short-sighted in terms of organizational success and sustainability, the tendency to prioritize clients' needs over those of employees is deeply embedded in the sector's culture.

Especially at the frontline and lower management levels, focus group participants discussed the pressures they felt to carry out work due to guilt or a sense that the organization/mission/client will suffer if they do not assume extra responsibility. Participants noted that the pressure to make personal sacrifices came both from the culture of work and management, but also from within themselves. There was a sense that many in the sector care about the vulnerable populations that organizations work with, but the same attention is not always paid to the ways that staff within organizations are made vulnerable themselves. Executive Directors also identified the pressures they experience to make trade-offs at the administrative level, noting that they were struggling to provide balance, training and support for employees.

Many of these challenges may lie in an altruistic philosophy/management style in the sector — a belief in selfless concern for the well-being of others and a desire to only personally benefit when all people in the community can benefit, for example with fair wages. In situations where leadership is deeply focused on community service, employees may be encouraged or expected to adopt this mindset themselves, forgoing investments like salary increases, professional development activities, and stable employment — all core elements of decent work.

As Fox argues, the value-laden nature of NFP work is sometimes a barrier to investment in organizational development.[101] However, if tapped into effectively, these same values can provide direction and motivation for organizational change from within.[102]

Along the same lines as the altruistic service approach described above, the "servant leadership" model developed by Robert Greenleaf in 1970 focuses on service but includes a commitment to the growth of people as a key attribute to effective leadership.[103] In for-profit cases, it has demonstrated positive outcomes in employee performance, improved retention rates, and customer service ultimately contributing to greater profitability.[104] Although there are fewer case studies on the not-for-profit sector, an argument can be made that an investment in employees in the sector could help organizations improve their ability to deliver outcomes.

As Fox argues, if development efforts can "successfully" transform an organization's culture from one focused on maintenance and survival to one concerned with growth and success', the impact on these organizations, their clients, and our communities would be truly remarkable."[105]

UNITED WAY TORONTO & YORK REGION: A LARGE EMPLOYER INVESTING IN PEOPLE FOR GREATER IMPACT

For decades, United Way Toronto & York Region (UW-TYR) relied on fundraising as its core tool to support member organizations and improve local communities. By 2003, however, a new approach was needed to create sustainable change and meet growing demand in the city's impoverished neighbourhoods.

This realization catalyzed a major transformation at UW-TYR and the launch of a new strategic plan centred on community impact. To support the shift, UW-TYR devised an enhanced human capital plan as a key pillar of its new strategy.

Launched in 2005, the human capital plan linked human resource management to UW-TYR's broader mission and introduced a number of reforms, including formal recruitment and performance management systems, competitive reward packages, professional development opportunities, and an emphasis on building diversity and inclusion skills. In addition, UW-TYR has expanded access to pension plans for some forms of contract workers, taken steps to eliminated unpaid internships, and is currently exploring living wage thresholds.

Ten years into its new plan, UW-TYR's workforce has grown by more than 30 per cent and has been rated as a 'GTA Top 100 Employer' for the past four years. This has contributed to the organization's ongoing transition to a community impact model, even as the NFP sector and the economy as a whole continue to struggle through one of the most uncertain and financially difficult periods in recent history. In the future, UW-TYR also plans to develop metrics that will help track the impact of its human capital plan in achieving broader organizational goals.

101 Heather Fox, "Promise of Organizational Development in Non-profit Human Services Organizations," *Organization Development*, no. Summer (2013): 72.
102 Ibid.
103 Russell & Stone, 2002.
104 Robert Greenleaf, "Servant Leadership," *Greenleaf Institute for Servant Leadership*.
105 Ibid., 78.

Summary

It is time for a conversation about decent work and what it could mean for Canada, Ontario, its communities and the NFP sector itself. For the sector, this must be done with a full understanding of the challenges and constraints it faces.

The NFP sector provides employment opportunities to a significant proportion of Ontario's population. However, in many ways, NFPs are struggling to meet a vision of a sector that provides and models decent work.

A snapshot of the sector as an employer shows that there is a need to better understand the current realities facing NFPs. There is a lack of comprehensive data about the sector and it is desperately needed to inform the conversation. Based on available information, it seems that in some ways, the sector is doing well: workers in the sector feel passionate about their work and the sector provides workers with meaningful employment that benefits society. However, there are also many symptoms of distress:

- concerns of employment stability for both employers and employees
- low levels of retirement and benefits coverage
- high rates of part-time and contract employment
- underinvestment in training and development by organizations
- poor work/life balance for workers at all levels.

Decent work offers a lens that cuts across these issues facing the sector, but there are many challenges and constraints. Funding structures and a lack of resources available to NFPs create fears about financial sustainability in the sector and drive underinvestment in capacity and long-term strategies. However, organization and sector culture may also be a factor at play, which can be more difficult to identify and address. Given the current reality, what can the sector do to overcome the current challenges and change the narrative?

Championing decent work will be complex. Implementing it will require systems change and many actors working together. Holistic approaches also mean that all actors can play a role — from individual employees in small organizations to legislators tasked with improving and strengthening employment standards. The NFP sector can help by working together to build a movement around the cause. It is for this reason that we must define the value of decent work and begin a discussion about what it might look like nationally, provincially, locally and within sectors.

AREAS FOR FURTHER RESEARCH

- Legislative and regulatory frameworks for a modern NFP sector
- International perspectives on the NFP sector and its labour market data needs
- Sources of precariousness in the NFP sector
- Enabling effective board governance for healthy NFP organizations
- Sector-focused models for training and leadership development

MOVING DECENT WORK FORWARD

Championing decent work is about creating awareness and promoting different choices that organizations, networks, governments and funders can make to ensure the lives of individuals are more secure and stable and help organizations be more resilient and effective.

The NFP sector has an opportunity to be a leader on this front and act as a model for work that is a driver of human dignity.

It is important to note that the conditions of decent work are intricately tied to many long-standing challenges facing the sector and require us to reconsider many of our fundamental assumptions about the sector as a whole. It challenges old notions of organizational effectiveness and how we measure success. As the sector continues its journey in thinking about social impact, "lean organizations" cannot be shorthand for governance models that stretch organizations too thin. This means that decent work is tied to funding, it is tied to the sector's information needs and it is tied to the sector's culture and governance models. Change cannot happen without considering the shifts that must happen on these fronts.

Decent work requires action at different levels and all actors can play a role. It involves thinking about:

Championing policy changes that make work better for all: At the highest level, decent work can be promoted by championing larger policy changes that will improve the labour market and social safety net as a whole. This involves supporting policies that strengthen the social safety net and backing efforts to modernize employment protections and labour market policies that address the supply of decent jobs.

Sub-sector and sector level initiatives that can strengthen the sector: There are also initiatives that can be pursued at the sector level, requiring cooperation, support and advocacy on the part of the sector and of government. This includes policy changes that affect the ability of the NFP sector to act as a source of decent work, including funding reform, skills development strategies and strengthened retirement security for NFP workers.

Network and intermediary organization supports for smaller organizations: There is also a need for network-level supports to help groups of organizations tackle issues they cannot take on alone. This includes thinking about the role that NFPs can play in community engagement on decent work issues, finding new ways for organizations to support the development and well-being of NFP workers and local efforts to promote the sector as a source of opportunity in communities.

Good practices for individual organizations: Finally, individual organizations have a crucial role to play in promoting decent work in their organizations and communities. There are choices that any organization can make to improve working conditions for employees. Some of these choices will require financial resources, others require time. There has been much research done in this area and there are many resources and recommendations that have been made to support this type of work. Involving managers and employees in discussions about what is valuable to them can help organizations take the first steps in championing decent work.

Though not meant to be comprehensive, the tables that follow this report are meant to be a starting point for discussion about the kinds of decent work practices and policies that NFP organizations can pursue as individual workplaces, in local networks, together as a sector, and in concert with other stakeholders to generate decent work in our society.

SUPPLEMENT: IDEAS FOR DISCUSSION

The following tables illustrate decent work practices and policies that might start a discussion about change that can be pursued at different levels:

POLICY CHANGES THAT MAKE WORK BETTER FOR ALL	SUB-SECTOR AND SECTOR-LEVEL INITIATIVES THAT STRENGTHEN THE SECTOR
COMMUNITY AND NETWORK-LEVEL SUPPORTS FOR SMALL ORGANIZATIONS	GOOD PRACTICES FOR INDIVIDUAL ORGANIZATIONS

Policy changes that make work better for all

At the highest level, decent work can be promoted by championing larger policy planks that will improve the labour market and social safety net as a whole. "Improving job quality is critical for reducing poverty, supporting families, rewarding effort and expanding opportunity for all."[106]

This aligns with promoting jobs and social protection pillars of the ILO's Decent Work Agenda. Under the social protection pillar they advocate for:

- Extending the coverage and effectiveness of social security schemes
- Promoting labour protection, which includes decent conditions of work, including wages, working time and occupational safety and health
- Working through dedicated programmes and activities to protect vulnerable groups and workers in the informal economy.[107]

STRENGTHENING THE SOCIAL SAFETY NET	
Support universal policies that make work easier for all.	Pharmacare and child care are two policies that notably improve labour participation and protection for a wide range of people.[i] The Commission for the Review of Social Assistance in Ontario proposes making health and dental coverage available to all low-income Ontarians, regardless of receipt of social assistance.[ii]
Support policies that "raise the floor" for low-income workers.	At the sector and government level, this might mean supporting: » Canada Pension Plan (CPP) expansion » Living wage/increased minimum wage campaigns » Employment Insurance (EI) reform
MODERN LABOUR MARKET STRATEGIES & EMPLOYMENT PROTECTIONS	
Strengthen the *Employment Standards Act (ESA)*, broadening employment protections for part-time and contract workers.	The 2015 report, *Still Working on the Edge*, released by Worker's Action Centre provides a comprehensive of overview of changes that could be made to the ESA that reflect the realities of modern workplaces.[iii]
Modernize the Employment Insurance (EI) system.	Treat workers equally under EI and remove higher entrance requirements for re-entrants to workforce.[iv]
Create a national workforce-development strategy that includes sector-specific supports.	The 2015 *Precarity Penalty* report argues: "All levels of government need to take further steps to develop and implement comprehensive, coordinated and integrated workforce-development strategies that are sector-specific and that address the unique needs of workers in precarious employment."[v] Ensure that federal training funds are more widely available to precarious workers who are currently shut out of most federal training programs.

Notes
i Thomas Granofsky et al., "Renewing Canada's Social Architecture," *Mowat Centre*, 2015.
ii Frances Lankin and Munir A. Sheikh, "Brighter Prospects: Transforming Social Assistance in Ontario," *Commission for the Review of Social Assistance in Ontario*, 2012, 177.
iii Workers Action Centre, *Still Working on the Edge: Building Decent Jobs from the Ground up* (Toronto, 2015).
iv Mary Davis, Josh Hjartarson, and Jon Medow, "Making It Work: Final Recommendations of the Mowat Centre EI Task Force," *Mowat Centre*, 2011, 122.
v "The Precarity Penalty," accessed May 16, 2015

106 Evans and Gibb, *Moving from Precarious Employment to Decent Work*. p. 10
107 International Labour Organization, "Decent Work Agenda: Social Protection," 2015.

Sub-sector and sector-level initiatives:

There are initiatives that can be pursued at the sector level, requiring cooperation, support and advocacy on the part of the sector and from government. This includes policy changes that affect the ability of the NFP sector to act as a source of decent work.

COMMITTING TO A DECENT WORK VISION	
Champion a decent jobs vision for the sector, and popularizing the value proposition specific to NFPs.	There is an opportunity to promote decent work through sector-wide efforts, such as the Ontario Nonprofit Network's (ONN) Labour Force strategy, through broader educational campaigns, and engaging NFPs by asking "what can you do?"
Identify and promote "decent work benchmarks" for healthy organizations.	The Imagine Canada Standards program could be expanded to include decent work indicators under its "Staff Management" pillar.
LABOUR MARKET & SKILLS DEVELOPMENT PLANNING	
Develop a sector strategy that focuses on skills development and core competencies for all workers in the NFP sector, or specific sub-sectors.	Some strategies promote access by "*removing barriers to getting good jobs or to advancing to better jobs*."[i] They may also focus on job quality by focusing on improving the quality of jobs with respect to wages, benefits and working conditions by improving human resource practices. For example, the Developmental Services HR Strategy developed a core competencies framework that can help staff and managers build the skills of staff. To date, they have found that this framework helps promote job satisfaction, employee engagement, as well as support recruitment and retention efforts.
Improve the collection of NFP labour market data at provincial and federal levels.	There is a need for better information on the size and scope of the NFP sector, its activities and better access to compensation information.
Engage with universities to engage talent and target skill development in future workers.	Identify educational pipelines that feed into the sector. Programs should be linked to skills development strategies designed to build capacity in the sector.
Expand access to business development supports to the NFP sector.	The 2015 Mowat Centre report, *A Federal Economic Agenda for Ontario* recommends expanding these supports. "Numerous programs and services at the federal level assist and advise small and medium businesses; these same programs could also serve the needs of social enterprise, charity and NFP organizations."[ii]
FUNDING REFORM AS "DECENT WORK"	
Support efforts to change outdated regulatory structures that govern the sector.	Sector champions and umbrella organizations have a significant role to play in engaging NFPs and policymakers and pushing forward these reforms.
Governments faced with objectives of reducing poverty and supporting employment outcomes should recognize the role funding reform can play in improving social outcomes for clients and reducing the precarity of workers employed in the NFP sector.	This includes creating flexible funding agreement frameworks that fit both government and NFP business cycles.[iii] This includes systems-planning across ministries, standardized and streamlined administration, outcomes-focused support and flexibility for innovation and long-term planning.[iv]
Funders should explore contract models that are more predictable and adaptable.	In the US, the Ford Foundation recently changed its granting structures to give general operating grants to its grantees, allowing more freedom for organizations to operate innovative programs as needed.[v]

Take the full cost of operating organizations into account in funding agreements.	At the government and sector level, this might mean: Clarifying definitions of "administration" in funding agreements, taking into account the need for evaluation, financial oversight and paid staff to carry out work. Include cost-of-living increases, or living wage costs in contracts.
In place of administrative ratios, consider more holistic measures of organizational success.	When making funding decisions, funders and government should consider measures of effectiveness that take organizational transparency, governance, leadership, results and finances into account.
EXPLORING THE PENSION OPPORTUNITY	
Support efforts to expand public pension regimes and explore opportunities for a "sector pension."	The Ontario Nonprofit Network recently established a task force to develop recommendations for a sector-wide pension plan for NFP workers.[vi] A 2012 feasibility study for a Nova Scotian NFP sector pension plan discusses different options and assesses current models, including the Quebec plan. [vii]

Notes:
i Maureen Conway et al., *Sectoral Strategies for Low-Income Workers : Lessons from the Field* (Aspen Institute, 2007), 2.
ii Nevena Dragicevic, "A Federal Economic Agenda for Ontario," *Mowat Centre*, 2015.
iii Government Nonprofit Initiative Task Force, *Human Resources Issues In BC's Non-Profit Sector*, 41.
iv Ontario Nonprofit Network. "Vision 2020" Joint Funding Reform Table, 2015
v Alex Daniels, "Ford Shifts Grant Making to Focus Entirely on Inequality," *Chronicle of Philanthropy,* June 11, 2015.
vi Ontario Nonprofit Network, "Nonprofits and Pensions: What's the Way Forward?," *Ontario Nonprofit Network*, 2015
vii Peter Elson, *Nova Scotia Nonprofit Sector Pension Plan Feasibility Study,* 2012

Community and network-level supports:

Network-level supports help groups of organizations tackle something they cannot do alone. This includes thinking about the role that NFPs can play in community engagement on decent work issues, finding creative ways for organizations to support the development and well-being of NFP workers and local efforts to promote the sector as a source of opportunity in communities.

SHARED KNOWLEDGE AND TRAINING	
Organizations with limited resources can consider joint training and development opportunities.	Joint training and pooled organizational development activities may offer opportunities to reduce costs and increase capacity. Work in Culture is an organization that works to support people who work in the arts and cultural sector through career development and business skills training.[i]
Establishing HR centres of excellence focused specifically on the NFP sector, leveraging pre-existing volunteer centres and HR focused NFP organizations. [ii]	Community Foundations of Canada is currently in the process of planning the future of the HR Council for the Nonprofit Sector.[iii]
PEOPLE-FOCUSED NETWORKS	
Adopt practices that build the collaborative capacity of similar organizations and promote people-focused networks. These types of connections can facilitate collaboration and also could help employees think of the sector as a source of opportunity.	This could be done by: » Opening "internal jobs" to networks of similar organizations » Allowing for secondment within networked organizations » Promoting peer mentorship networks, formally and informally.
SALARY & CAREER PLANNING	
Begin a sector-wide conversation about compensation and adopt practices that promote transparency, fairness and equity.	This could be done by: » Adopting a policy of posting salary ranges in job descriptions » Encouraging similar organizations to conduct wage studies and share their results » Championing a sector-wide salary survey.
POOLING RESOURCES	
Explore organizational models that allow NFPs to adopt joint administration functions, reducing duplication and improving support for employees.	Networked NFPs could engage in back-office coordination or shared staffing services Smaller NFPs could consider adopting a shared platform model which may help relieve some of the pressures associated with HR and financial compliance that often fall to Executive Directors.
COMMUNITY ENGAGEMENT	
Promote decent work at a community level.	There is an opportunity to: » engage in strategic community planning to promote a decent work vision to local employers » develop community standards for decent work (e.g. awarding badges for meeting and adopting agreed-upon standards) » support community campaigns focused on living wage.

Notes:
i Work in Culture, "Work in Culture," 2015.
ii Government Nonprofit Initiative Task Force, *Human Resources Issues In BC's Non-Profit Sector*, 43.
iii Community Foundations of Canada, "HR Council for the Nonprofit Sector," 2015.

Good practices for individual organizations:

Individual organizations have a role to play in promoting decent work in their organizations and communities. The benefits of decent work go beyond individuals and can help improve the performance of organizations. Some of the following practices require financial resources, others require time. However, there are choices that any organization can make to improve working conditions for employees. Involving managers and employees in discussions about what is valuable to them can help organizations take the first steps in championing decent work.

SHAPING THE FOUNDATIONS	
NFP boards can lead decent work efforts by establishing guidelines within the organizations and ensure that decent work practices are carried out.	Umbrella organizations can build board capacity by providing effective training for boards.
Organizations can use indices and other tools that have been developed to identify precariousness in their organizations and develop reduction plans.	The PEPSO precarity index may act as a helpful starting point to spark conversation for organizations/sub-sectors. Woods (2008) also recommends many assessment tools that may help organizations focus on the social dimensions of decent work.
Consider adopting living wage policies to ensure that all staff members are paid a wage that is fair.	For example, 15 organizations in the Kitchener-Waterloo region have signed on as living wage employers as part of the community's living wage campaign. The campaign recognizes different levels of achievement as employers offer a living wage to all full-time, part-time, contract and students.[i]
Develop/adopt pay and costing standards that ensure sustainable wage practices in organizations.	Organizations could adopt Wagemark to certify that the ratio between the highest and lowest paid full-time employees in an organization is kept within sustainable and competitive limits.[ii] While there is a small fee to become Wagemark certified, organizations can become Wagemark registered at no cost.
Explore policies and solutions that promote employment security for workers.	This could include: Exploring and adopting organizational policies that extend health and retirement benefits to the widest possible range of employees Where possible, consider employee-sharing between organizations and other arrangements that give employees the opportunity to work full-time.

INVESTING IN CULTURE	
Place daily work in the context of organizational mission and values.	Defining an "organizational story," talking about purpose and opportunities can help build trust and cohesion.
Develop proactive diversity strategies, recognizing its value in promoting healthier, more responsive organizations.	Recognize the role that diversity plays in promoting a decent work environment. Proactive diversity strategies are important for every organization.[iii]
Adopt an "investing in people" approach to training and development, finding strategic ways to incorporate training that matches the budget, size and goals of the organization.	Take a developmental management approach to investing in employees (training, experience, internal leadership opportunities for development purposes). Make employee learning and development goals a part of day-to-day work. A 2008 Muttart Foundation publication by Terri Woods explores the relationship between social capital and organizational health and provides many resources that may be helpful to organizations in assessing the needs of their organizations.
Develop strategies to support and respect the mental and physical health of employees. Identify sources of stress and "burnout" for employees.	The National Standard for Psychological Health and Safety in the Workplace (the Standard) is a standard that any employer can adopt to promote mental health in the workplace.
Focus on meaningful experiences for volunteers.	Recognizing the role that volunteer work plays as a path to employment, PEPSO's *Precarity Penalty* report recommended that organizations consider building their volunteer experiences through the lens of job-related advancement.

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i Living Wage Waterloo Region, "Living Wage Waterloo Region."
ii Wagemark Foundation, "About Wagemark."
iii McIsaac and Moody, "Diversity & Inclusion: Valuing the Opportunity."

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APPENDIX 1A: ILO DECENT WORK INDICATORS

SUBSTANTIVE ELEMENT OF THE DECENT WORK AGENDA	STATISTICAL INDICATORS	LEGAL FRAMEWORK INDICATORS
Numbers in brackets refer to ILO strategic objectives: 1. Standards and fundamenta principles and rights at work; 2. Employment; 3. Social protection; 4. Social dialogue.	Selection of relevant statistical indicators that allow monitoring progress made with regard to the substantive elements. M – Main decent work indicators A – Additional decent work indicators F – Candidate for future inclusion/developmental work to be done by the Office C – Economic and social context for decent work (S) indicates that an indicator should be reported separately for men and women in addition to the total.	L – Descriptive indicators providing information on rights at work and the legal framework for decent work. Description of relevant national legislation, policies and institutions in relation to the substantive elements of the Decent Work Agenda; where relevant, information on the qualifying conditions, the benefit level and its financing; evidence of implementation effectiveness (as recorded by ILO supervisory bodies); estimates of coverage of workers in law and in practice; information on the ratification of relevant ILO Conventions.
Employment opportunities (1 + 2)	M – Employment-to-population ratio, 15–64 years (S) M – Unemployment rate (S) M – Youth not in education and not in employment, 15–24 years (S) M – Informal employment (S) A – Labour force participation rate, 15–64 years (1) [to be used especially where statistics on Employment-to-population ratio and/or Unemployment rate (total) are not available] A – Youth unemployment rate, 15–24 years (S) A – Unemployment by level of education (S) A – Employment by status in employment (S) A – Proportion of own-account and contr. family workers in total employment (S) [to be used especially where statistics on informal employment are not available] A – Share of wage employment in non-agricultural employment (S) F – Labour underutilization (S) Memo item: Time-related underemployment rate (S) grouped as A under “Decent Working Time”	L – Government commitment to full employment L – Unemployment insurance
Adequate earnings and productive work (1 + 3)	M – Working poor (S) M – Low pay rate (below 2/3 of median hourly earnings) (S) A – Average hourly earnings in selected occupations (S) A – Average real wages (S) A – Minimum wage as % of median wage A – Manufacturing wage index A – Employees with recent job training (past year/past 4 weeks) (S)	L – Minimum wage
Decent Working Time (1 + 3)*	M – Excessive hours (more than 48 hours per week; ‘usual’ hours) (S) A – Usual hours worked (standardized hour bands) (S) A – Annual hours worked per employed person (S) A – Time-related underemployment rate (S) F – Paid annual leave (developmental work to be done by the Office; additional indicator)	L – Maximum hours of work L – Paid annual leave
Combining work, family and personal life (1 + 3)	F – Asocial/unusual hours (Developmental work to be done by the Office) F – Maternity protection (developmental work to be done by the Office; main indicator)	L – Maternity leave (incl. weeks of leave, and rate of benefits) L – Parental leave*

Work that should be abolished (1 + 3)	M – Child labour [as defined by ICLS resolution] (S) A – Hazardous child labour (S) A – Other worst forms of child labour (S)** A – Forced labour (S)** A – Forced labour rate among returned migrants (S)**	L – Child labour (incl. public policies to combat it) L – Forced labour (incl. public policies to combat it)
Stability and security of work (1, 2 + 3)	Stability and security of work (developmental work to be done): M – Precarious Employment rate** (5) A – Job tenure** (5) A – Subsistence worker rate** (5) A – Real earnings casual workers** (S) Memo item: Informal employment grouped under employment opportunities.	L – Termination of employment* (incl. notice of termination in weeks) Memo item: 'Unemployment insurance' grouped under employment opportunities; needs to be interpreted in conjunction for 'flexicurity'.
Equal opportunity and treatment in employment (1, 2 + 3)	M – Occupational segregation by sex M – Female share of employment in senior and middle management* (ISCO88 groups 11 and 12) A – Gender wage gap A – Share of women in wage employment in the non-agricultural sector A – Indicator for Fundamental Principles and Rights at Work (Elimination of discrimination in respect of employment and occupation) to be developed by the Office A – Measure for discrimination by race/ethnicity/of indigenous people/of (recent) migrant workers/of rural workers where relevant and available at the national level. F – Measure of dispersion for sectoral/occupational distribution of (recent) migrant workers F – Measure for employment of persons with disabilities Memo item: Indicators under other substantive elements marked (S) indicator should be reported separately for men and women in addition to the total.	L – Equal opportunity and treatment* L – Equal remuneration of men and women for work of equal value*
Safe work environment (1 + 3)	M – Occupational injury rate, fatal A – Occupational injury rate, nonfatal A – Time lost due to occupational injuries A – Labour inspection (inspectors per 10,000 employed persons)	L – Employment injury benefits* L – Safety and health labour inspection
Social security (1 + 3)	M – Share of population aged 65 and above benefiting from a pension (S) M – Public social security expenditure (% of GDP) A – Healthcare exp. not financed out of pocket by private households A – Share of population covered by (basic) health care provision (S) F – Share of econ. active population contributing to a pension scheme (S) F – Public expenditure on needs based cash income support (% of GDP) F – Beneficiaries of cash income support (% of the poor) F – Sick leave (developmental work to be done by the Office; additional indicator) [Interpretation in conjunction with legal framework and labour market statistics.]	L – Pension L – Incapacity for work due to sickness/sick leave L – Incapacity for work due to invalidity Memo item: 'Unemployment insurance' grouped under employment opportunities.
Social dialogue, workers' and employers' representation (1 + 4)	M – Union density rate (S) M – Enterprises belonging to employer organization [rate] M – Collective bargaining coverage rate (S) M – Indicator for Fundamental principles and rights at work (Freedom of association and collective bargaining) to be developed by the Office A – Days not worked due to strikes and lockouts*	L – Freedom of association and the right to organize L – Collective bargaining right L – Tripartite consultations

Source: ILO compilation on the basis of the Discussion paper for the Tripartite Meeting of Experts on the Measurement of Decent Work (Geneva, 8–10 September 2008).

*Wording modified by ILO in the pilot phase; **Indicator added by ILO in the pilot phase

APPENDIX 1B: DECENT WORK IN CANADA

The following table presents the ILO's proposed main indicators with the relevant data points at the federal level.

DECENT WORK ELEMENT	INDICATOR	CANADA	SOURCE, YEAR
EMPLOYMENT OPPORTUNITIES (1+2)	Employment-to-population ratio, 15–64 years (%)	Total: 72.3	ILOSTAT 2014
		Male: 75.2	ILOSTAT 2014
		Female: 69.4	ILOSTAT 2014
	Unemployment rate (%)	Total: 6.9	ILOSTAT 2014
		Male: 7.4	ILOSTAT 2014
		Female: 6.4	ILOSTAT 2014
	Youth not in education and not in employment, 15–24 years Share of youth used*	Total: 13.3	ILOSTAT, 2013
		Male: 13.4	ILOSTAT, 2013
		Female: 13.2	ILOSTAT, 2013
	Informal employment	Not collected	ILOSTAT, 2011
ADEQUATE EARNINGS AND PRODUCTIVE WORK (1 +3)	Working poor	Total: 953600	ILOSTAT, 2011
		Male: 516800	ILOSTAT, 2011
		Female: 436800	ILOSTAT, 2011
	Low pay rate (below 2/3 of median hourly earnings	Total: 20.3	ILOSTAT, 2011
DECENT WORKING TIME (1+3)	Excessive hours (more than 48 hours per week; 'usual' hours) *50+ hours	Total: 1829100	CANSIM 282-0026, 2014
COMBINING WORK, FAMILY AND PERSONAL LIFE (1+3)	Maternity protection (developmental work to be done by the Office; main indicator)	Indicator not finalized	
	Asocial/unusual hours (Developmental work to be done by the office)	Indicator not finalized	
WORK THAT SHOULD BE ABOLISHED (1+3)	Child labour [as defined by ICLS resolution]	Not collected	
STABILITY AND SECURITY OF WORK (1+2+3)	Precarious Employment rate	Not collected	
EQUAL OPPORTUNITY AND TREATMENT IN EMPLOYMENT (1+2+3)	Occupational segregation by sex (female share of all occupations)	Total: 47.74	National Household Survey, 2011
	Female share of employment in senior and middle management %	Total: 37.39	National Household Survey, 2011
SAFE WORK ENVIRONMENT (1+3)	Occupational injury rate, fatal (average frequency per year, per 100,000 workers)	Total: 2.1	*
	Occupational injury rate, nonfatal (average frequency per year, per 100,000 workers)	Total: 1243	*

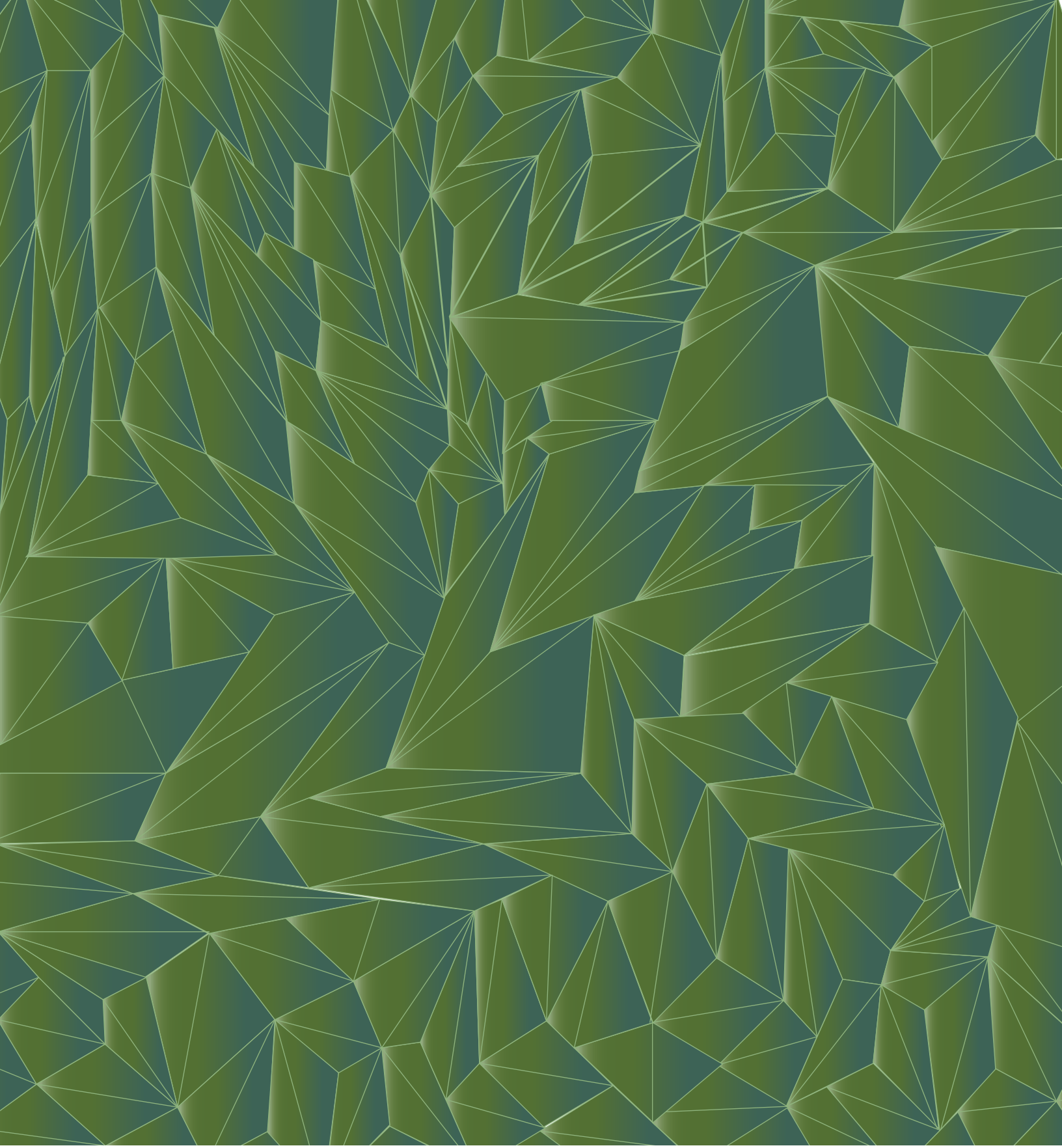
SOCIAL SECURITY (1+3)	Share of population aged 65 and above benefitting from a pension	Total: 97.7	ILOSTAT, 2009
	Public social security expenditure (% of GDP) (in function of healthcare (including healthcare))	Total: 18.2	ILOSTAT, 2013
	Healthcare expenses not financed out of pocket by private households	Total: 85.6	ILOSTAT, 2011
SOCIAL DIALOGUE, WORKERS' AND EMPLOYERS' REPRESENTATION (1+4)	Union density rate	Total: 29.5	ILOSTAT, 2010
		Male: 28.2	
		Female: 30.8	
	Collective bargaining coverage rate	Total: 31.5	ILOSTAT, 2010
		Male: 30.4	
		Female: 32.6	

APPENDIX 2:
CASH COMPENSATION IN ONTARIO NFPS

The following table is adapted from the 2013 Charity Village survey and presents average cash compensation in Ontario and the Canadian average (including Ontario). Due to low response rates in some provinces and a high response from Ontario, the survey did not report on each province individually, so the Canada average is reported below.

TABLE 2: NFP CASH COMPENSATION IN ONTARIO (CHARITY VILLAGE, 2013)

CASH COMPENSATION BY REGION							
		LEVEL 1: CHIEF EXECUTIVES	LEVEL 2: SENIOR EXECUTIVES	LEVEL 3: SENIOR MANAGEMENT	LEVEL 4: MANAGEMENT/ SUPERVISORY STAFF	LEVEL 5: FUNCTIONAL AND PROGRAM STAFF	LEVEL 6: SUPPORT STAFF
CANADA	Annual	$90,315	$90,981	$78,832	$54,409	$44,740	$38,914
	Hourly	$45.45	$45.53	$40.15	$27.65	$22.56	$19.67
	Sample size	N=599	N=222	N=222	N=1,234	N=1,331	N=819
	# of employees	599	249	893	2112	5084	1712
GREATER TORONTO AREA	Annual	$ 107,721	$101,270	$ 89,269	$ 55,730	$ 48,922	$39,851
	Hourly	$ 54.21	$ 51.43	$ 45.40	$ 28.77	$ 25.25	$ 20.44
	Sample size	N=174	N=85	N=251	N=429	N=418	N=267
	# of employees	174	95	401	952	1744	677
OTTAWA	Annual	$ 100,464	$ 98,044	$ 80,415	$ 60,496	$ 48,471	$38,127
	Hourly	$ 50.04	$ 49.10	$ 41.36	$ 30.81	$ 24.05	$19.45
	Sample size	N=56	N=30	N=58	N=106	N=135	N=78
	# of employees	56	30	80	173	391	129
REST OF ONTARIO	Annual	$ 76,390	$ 72,994	$ 65,847	$ 51,312	$ 39,226	$37,073
	Hourly	$ 38.65	$ 38.65	$ 33.29	$ 25.80	$ 19.50	$ 18.45
	Sample size	N=147	N=39	N=144	N=289	N=341	N=195
	# of employees	147	44	165	430	1550	388



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