



Why Have All the Candidates Disappeared?

The HR situation in fundraising is a cause for concern.

By Daniel H. Lanteigne, ASC, C.Dir., CFRE, CHRP

In the current landscape of philanthropy, a growing concern is casting a persistent shadow: the shortage of workforce. Human resource issues, once relegated to the background, now take center stage, raising deep concerns among stakeholders in this essential sector. Despite its crucial role in building a better world, the philanthropic sector faces a significant challenge: attracting and retaining the human talent necessary to fulfill its mission.

INDICATORS

Let's take a break to gain a better understanding of the factors that have led to this unprecedented situation

and explore avenues of opportunity for an industry that cannot afford to do without top talent.

Declining Appeal

For decades, the philanthropic sector has served as a haven for those driven by a deep passion for the common good and motivated by a fervent desire to make a positive difference in the world. It provided individuals with a sense that their work had a significant impact on society, offering them the opportunity to express their personal values on a daily basis by working for causes close to their hearts.

However, over time, the motivations of prospective philanthropy professionals have evolved. As the

sector gained visibility and importance, the notion of “doing good” alone is no longer sufficient to attract and retain top talent. Prospective candidates also want their work to be recognized and valued, both financially and personally. They look for stimulating work environments, professional development opportunities, competitive benefits, and compensation that matches their skills.

This shift in expectations has introduced new challenges for philanthropic organizations, which must now compete with other sectors, including the private sector and social entrepreneurship, to attract and retain competent candidates.

Fatigue and Mental Health

In addition to evolving expectations, another critical factor to closely monitor in the philanthropic sector is the state of fatigue and mental health among its talents.

Talent fatigue is evident through professional burnout, work overload, and a sense of helplessness when tackling issues, often due to limited resources. Simultaneously, the mental health of philanthropic professionals is frequently put to the test due to constant stress and a fervent desire to make a positive impact. This combination of factors contributes to high rates of depressive moods, burnout, depression, and anxiety within the philanthropic community.

According to a recent study conducted by BNP Philanthropic Performance in 2023,¹ 40% of respondents reported experiencing exhaustion, depressive moods, or depression in the past year. Alarming, when these issues arose, nearly half of those surveyed did not feel comfortable discussing them openly with their managers.

It is imperative to acknowledge and address these challenges, which are often considered taboo, in order for the sector to establish robust mechanisms for mental health support and assistance.

POSSIBLE CAUSES

We must also recognize several other possible causes that have led to our sector’s talent shortage, from demographic changes and retention challenges to internal pressures and the COVID-19 pandemic.

An Aging Population

One of the primary reasons for the labor shortage in the philanthropic sector lies in demographic factors. A significant talent pool, which has long been a substantial

part of the sector’s workforce, is retiring en masse. Experienced and seasoned professionals with decades of philanthropic experience are leaving the labor market, leaving behind a difficult void to fill. Younger generations, although talented and enthusiastic, cannot immediately compensate for this loss of expertise.

Employee Retention Challenges

Employee retention is another major challenge. Philanthropic organizations instinctively invest in donor retention and recognition strategies but too infrequently invest in similar strategies for their own talent. Philanthropy can suffer from high employee turnover rates, resulting in a loss of valuable institutional knowledge and constant recruitment costs to fill vacant positions.

High Pressure and Unrealistic Expectations

The high pressure on fundraising and unrealistic expectations related to results are not unfamiliar causes contributing to the HR situation. Unfortunately, this comes as no surprise. Already, in August 2019, a survey conducted by The Harris Poll for AFP and *The Chronicle of Philanthropy* sounded the alarm:² 51% of respondents were considering leaving their jobs within the next two years. And that’s not all—30% were contemplating leaving philanthropy altogether.



Moreover, in a more recent study conducted in 2023, BNP Philanthropic Performance asked the same question, and the response is quite similar. BNP's study demonstrates that 29% of philanthropy professionals have entered "quiet quitting" mode, and 22% are considering leaving philanthropy at their next job change. These statistics are indeed cause for concern.

Salary Wars

The competition to attract and retain high-quality talent is becoming increasingly fierce, and it has become common to see salary offers exceed established pay ranges, used as a last-resort strategy to entice exceptional candidates. However, this wage inflation can lead to undesirable consequences, insidiously contributing to internal inequity to the detriment of other colleagues, while bolstering employees' negotiation leverage and undermining team motivation.

It is crucial to consider these potential side effects of salary escalation in the quest for talent, while exploring more balanced approaches to attract and maintain a high-quality workforce. This would promote a fairer work culture and preserve engagement and cohesion within the organization.

COVID-19 Pandemic

Lastly, the significant impact of the pandemic on the philanthropic sector, especially in terms of retention capacity, should not be underestimated. Swiftly, numerous organizations had to terminate the employment of specialized event professionals, scale back their service offerings, rethink their fundraising strategies, and grapple with an unprecedented surge in demands. This was compounded by the disappearance of many volunteers, placing even greater strain on the organizations' talents. This pressure inevitably led to exhaustion. Recovering from such an imbalance is not an instantaneous process, and the resulting damage may take years to rectify.

THE HARMFUL IMPACT

The consequences of all the above are substantial for a sector that already grapples with numerous daily challenges. The workforce issue compounds those difficulties, elevating the risk level for organizations and thereby rendering them more vulnerable.

Diminished Organizational Effectiveness

The labor shortage directly affects the effectiveness of philanthropic organizations. With key positions left vacant or filled by less-experienced employees, these organizations' ability to plan, implement, and deliver their missions and programs is compromised. This can lead to significant drops in service quality or even service interruptions.

A Potential Setback

While many organizations are tirelessly working to address social inequalities on a daily basis, a shortage of funding and human resources could lead to a setback in several communities regarding advancements that were once considered achieved milestones. Unfortunately, the mathematical reality that doing more with less is often unfeasible is becoming evident in numerous organizations.

Potential Implications for Public Perception of the Sector

Lastly, the labor shortage could have ramifications for the public perception of the philanthropic sector. If philanthropic organizations are perceived as being less effective or less competent due to human resource issues, it may undermine the public's trust in the entire sector. Eroded trust could have consequences for financial support and participation in philanthropic initiatives, further complicating the achievement of these organizations' goals.



TRANSITIONING TO SOLUTION MODE

The labor shortage in philanthropy is a complex challenge with potentially significant consequences. There is a countless array of attraction and retention solutions, but they require a pause and thoughtful consideration to align well with your practices and culture—ultimately delivering results for both your current talents and your future employees.

Innovative Recruitment Strategies

To address the labor shortage, philanthropic organizations must adopt innovative recruitment strategies. This includes diversifying recruitment sources, establishing partnerships with universities and training programs, and using modern and diverse communication channels to reach new candidate pools. Furthermore, assessing nontraditional skills and flexibility in recruitment criteria can help expand the talent pool.

Development of Training and Awareness Programs

Philanthropic organizations can invest in the development of training and awareness programs for both current and potential employees. This includes offering internships, mentorship, and continuous training to develop the necessary skills. These programs not only attract talent but also contribute to talent retention by demonstrating a deep commitment to employees' professional and, potentially, personal development. If not already in place, it is also high time to establish succession planning strategies within the teams.

The Importance of Talent Diversity

Talent diversification is crucial in addressing the labor shortage. Philanthropic organizations should transition from a mode of "diversity awareness" to a "pro-diversity" approach in all its forms, including gender, sexual orientation, age, ethnicity, race, disabilities, and skills diversity. Diversity brings different perspectives and fosters innovation, thereby enhancing the sector's ability to solve complex issues. It is no longer a matter of debate but rather a necessity to move away from traditional recruitment practices to achieve more diverse candidate pools. It also requires a comprehensive overhaul of mechanisms to reduce systemic biases and make organizations more inclusive.

Flexibility

Another key lies in the concept of flexibility. Many organizations adopt a rigid one-size-fits-all approach and, in doing so, risk losing valuable talent. Survey your employees, listen to them, and show that you care about their well-being. Providing what they want is not a sign of weakness; it's a sign of respect. The employer-employee mindset must evolve in the current context, and this will undoubtedly require significant adaptation and human-scale flexibility.


Collaboration Among Philanthropic Organizations

Finally, collaboration among philanthropic organizations is a potent solution. Strategic alliances enable talent-sharing, reduce recruitment costs, and combine expertise to address common challenges. By working together, particularly through resource sharing, philanthropic organizations can enhance their collective appeal and societal impact.

ENDPOINT

Yes, the situation is critical. The labor shortage in the philanthropic sector is an urgent problem that requires immediate attention. As the motivations of philanthropic professionals evolve and competition with other sectors intensifies, philanthropic organizations must adapt to attract and retain the best talent. The consequences of the labor shortage are numerous, ranging from reduced organizational efficiency to its impact on the supported causes and the public perception of the sector.

However, there is hope. By embracing innovative recruitment strategies, investing in training and awareness, promoting diversity, and collaborating, the philanthropic sector can overcome these challenges. Philanthropic professionals continue to be driven by a deep desire for positive change, and with the right measures in place, we can ensure that the sector continues to play a crucial role in building a better world for all.

It's time to take action, think creatively, and work together to address the labor shortage in philanthropy. The vision of a brighter future depends on our ability to attract and retain the talent needed to advance the causes that matter to us. 

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- 1 Source: BNP Philanthropic Performance (2023). 2023 Philanthropic Compensation and Well-Being Index. Montreal. bnppperformance.com/etude-indice-philanthropique-salarial-et-bien-etre-2023-au-quebec
 - 2 Source: philanthropy.com/article/why-fundraisers-leave-and-how-to-keep-them



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