The cavity in nonprofits’ human capital

By Anthony Parrish


Human capital plays an incredibly important role for nonprofits – and getting the perfect employee can be a real challenge. Nonprofits typically don’t have recruiters or large human resource departments dedicated to finding top talent from the Ivy League, but nonprofits can find good fits, especially through informal local networks.

Keeping employees is another matter, with nonprofits fighting against turnover rates of nearly 20 percent. So what happens to those employees that have left? According to Nonprofit HR’s 2014 Nonprofit Employment Practices Survey (http://www.nonprofithr.com/wp-content/uploads/2014/03/2014NEP_SurveyReport-FINAL.pdf), 45 percent of nonprofit professionals leave to work for another nonprofit.
This is the gaping cavity in nonprofits’ strategy around human capital: nonprofits don’t treat their former employees like alumni. (Yes, you read correctly: alumni!)

Back in 2002, the Harvard Business Review [https://hbr.org/2002/06/cultivating-ex-employees](https://hbr.org/2002/06/cultivating-ex-employees) identified four ways that ex-employees can benefit old employers:

- Rehires and referral sources
- Suppliers of intellectual capital
- Ambassadors, marketers, and lobbyists
- Investors

So let’s take a look at how those four could be applied to nonprofits.

### 1. Rehires and referral sources

As already mentioned, nonprofits are experiencing incredible growth and finding the right person for open positions is increasingly challenging. Ex-employees don’t simply stop developing skills once they depart your nonprofit, they continue to grow, sometimes into the exact right person you need for a new position that has just opened up. Referrals can be equally as advantageous, your alumni know the culture, know the people, and know if someone would be a good (or bad) fit.

### 2. Suppliers of intellectual capital

Intellectual capital isn’t just for the tech startups in Silicon Valley – it is the core component to developing new programming that can change the way your nonprofit approaches a problem. Your ex-employees are probably still active nonprofit employees and can provide great perspective on your nonprofit’s programs and strategies. If nothing else, cultivate a network to bounce ideas around – you might end up with a few great ones.

### 3. Ambassadors, marketers, and lobbyists

Nonprofit alumni are a unique group of people in that they are already versed in your organization’s mission in a very personal way. Because of this, former employees can be incredible ambassadors. Need to build a coalition of nonprofit, public, and private sector organizations to tackle a problem? An alum might sit on a committee you need to get on board.

### 4. Investors

While typically nonprofits don’t offer stock options, ex-employees can be an untapped source of revenue. They are primed to be donors, and possibly life-long partners. Universities and schools have been using the transformative changes and social ties to raise funds for ages, and you might be surprised what can happen when you reach out in the same way to your former employees.

“But I don’t have time…”

You’re right, reaching out to alumni takes time and effort. But it doesn’t have to be a lot to get started. You don’t have to be McKinsey & Company creating an online database of thousands of former employees.

Start with just two changes:
1) If you don’t already do exit interviews, start doing them now, and be sure to get personal email addresses. Take that information and be sure to add it to your database (or at least your email contacts). That way when you do need to reach out to them, you can.

2) Create a LinkedIn group for your nonprofit alumni and start inviting ex-employees to join. This doesn’t have to be fancy or have thousands of members like Target’s group. All it needs to do is provide an easy way for you to communicate to them, allow them to reach you, and let them reach each other.

If you are interested in reading about these ideas take a look at the following:

- “Corporate alumni: Gone but not forgotten” from The Economist
- “How creating an alumni strategy closes the skills gap” from CIO
- “Four reasons to invest in a corporate alumni network” from LinkedIn
- “Cultivating ex-employees” from Harvard Business Review
- “Should acquaintance be forgot? Reverse transfer of knowledge through mobility ties” from Strategic Management Journal
- “There’s no such thing as an ex-employee” from Fortune

Tags: Anthony Parrish | Nonprofit Sector | Human Resources

Do you like this post?