

# Culture in a Nonprofit – You Need It Too!

7 min read



Nonprofit missions are typically outward-focused. As a result, you probably have 100% of your attention, time, and energy focused on donors and fundraising to further the mission.

## Key Takeaways

- **Why Workplace Culture Is Essential to Your Nonprofit:** It's always better for the organization when your employees are happy and like working in your workplace. Also, it can be more difficult for nonprofits to hold onto employees due to the difficulty of offering competitive salaries...
- **Defining Core Values Leads to Overall Improved Nonprofit Operation:** A better workplace culture means that you have successfully defined your core values which leads to an overall improvement in the way your organization functions. Your core values help you...
- **The Key to Creating an Outstanding Culture in Your Nonprofit Organization:** While not everyone needs to (or should!) be the same and think the same in your organization, you do need to represent a unified front when it comes to defining, communicating, and...

As a nonprofit leader, however, it's important to turn inward, as well, and to spend time assessing the organization itself. It's essential that you ensure your nonprofit is healthy, operates on a set of solid core values, and that you are actively working to cultivate a positive workplace culture in your organization.

That's right. Workplace culture is important in nonprofits, too. In fact, workplace culture might even be more important for nonprofits than it is in for-profit corporations.

## Why Workplace Culture Is Essential to Your Nonprofit (Especially Now)

Workplace culture has always been important for nonprofits. For one, it's always better for the organization when your employees are happy and like working in your workplace. Also, it can be more difficult for nonprofits to hold onto employees due to difficulty of offering competitive salaries (when compared to for-profit workplaces) and, sometimes, the ability to offer upward mobility and career opportunities to employees. Yes, there are intrinsic rewards that come with working for a nonprofit organization, but these types of benefits only stretch so far.

Today, workplaces of all kinds are encountering additional challenges: unprecedented employee turnover and skyrocketing inflation. Already typically operating on tight budgets, these challenges are going to hit the nonprofit sector the hardest, and that's precisely why workplace culture has become more essential now than ever before.

## The Great Resignation, the Cost of Turnover, and Employee Retention

During [the Great Resignation](#), which was spurred on by the pandemic, an average of 4 million people have been resigning from their jobs every month [1].

As you might already know, the cost of employee turnover is high. On average, the cost to replace an upper-level employee rings in at 150% of that employee's salary. The average cost to replace a lower-level employee can ring in at 50-100% of that employee's salary. Start footing that bill multiple times a year, and you've got yourself a real-live budget problem – not to mention productivity issues, plummeting morale, and increasing attrition rates.

**Read More:** [7 Management And Board Reports Nonprofits Should Be Looking At](#)

So, yes, employees are leaving their jobs. What does that have to do with workplace culture? Well, when it comes to an employee's decision of whether or not they are going to quit their job, studies have shown that workplace culture has 10 times more impact on the choice than compensation [2]. A positive culture not only helps to reduce turnover but can also help attract high-quality talent from the applicant pool to help you restaff your organization and keep it that way.

## Inflationary Times, the Cost of Doing Business, Donors, and Your Employee Salaries

It's no secret that the U.S. dollar's buying power has dropped significantly. You notice it when you restock your supply closet, order more refreshments for the break room, pay your utility bills, and possibly even when you pay your office rent. In June, the U.S. inflation rate rose to 9.1% a new 40-year high, and unfortunately, nonprofits aren't an exception [3].

Unfortunately, for nonprofit organizations, this means that your cost of doing business has increased because [the spending power of your funds](#) has significantly diminished. So, your already tight budget is getting even tighter. Plus, your organization isn't the only one feeling

the pain; each and every one of your donors has less free cash at their disposal and all of your employees just endured a veritable 9.1% pay cut.

Once again, you are going to have to try to do more with less. While your employees feel the squeeze on your limited ability to offer pay raises, any blemishes in your workplace culture and office morale are going to start showing. These weaknesses in culture become increasingly frustrating for employees during difficult financial times because the baseline stress level is already elevated above normal. What an employee might tolerate while they're satisfied with their salary, they might not be able to tolerate if they are also experiencing financial stress.

Bolstering your workplace culture and personal bonds at the office can help you provide employees with fulfilling reasons to stick with your nonprofit organization through thick and thin.

## **Defining Core Values Leads to Overall Improved Nonprofit Operation**

In addition to overcoming contemporary challenges, a better workplace culture means that you have successfully defined your core values which leads to an overall improvement in the way your organization functions. Your core values help you hire the right people, communicate the right messages, and present the right image so that your entire mission and organization feel cohesive and smart.

**Read More:** [Top 10 Tips for New Executive Directors](#)

Additionally, you'll notice a burden lift from your own leadership roles and responsibilities, as all of your constituents (employees, volunteers, donors, beneficiaries, and vendors) have a clear understanding of the values your nonprofit represents. As a result, you'll need to micromanage less and be able to trust your people to make the right choices and spread the right information about your organization.

## **Assess Your Nonprofit's Workplace Culture**

In order to take the reins and start intentionally improving your workplace culture, you first need to assess your current culture. To do this, start by asking yourself the following questions and also distributing these questions to your employees and board members for discussion:

- What kind of atmosphere predominates our office?
- Can we all communicate effectively, freely, and safely with each other?
- How well do we communicate with our donors?
- How smoothly and effectively do we collaborate in our office?
- What is our decision-making process and who is involved in it?
- Is this decision-making process effective and open-minded?
- What are our business hours, and what does a typical workday look like?
- Are our hours and work expectations intentional or are we following a default workplace setting?
- Do our processes work? Do we actively encourage improvement, learning, and innovation?
- Have we clearly defined the way we work toward our mission?
- Are our leaders transparent with team members?
- Do we clearly communicate goals and reward progress?
- Do our employees understand the current position of the organization and its future goals?
- Do we welcome feedback and input from employees?
- Do we act on employee input?
- Do employees feel like they are heard?
- How do we handle failure?

The answers to these questions (what's happening now and what you envision for your workplace culture) will provide you with a roadmap to defining your core values and devising an action plan to implement those values. By instilling a set of strong core values into your organization, a more positive workplace culture will then naturally begin to emerge.

## **Unification: The Key to Creating an Outstanding Culture in Your Nonprofit Organization**

While not everyone needs to (or should!) be the same and think the same in your organization, you do need to represent a unified front when it comes to defining, communicating, and upholding your core values. You can achieve this by:

- Ensuring everyone is aligned with the core values. Your leadership team should be aware of the values and make choices in their roles and responsibilities that uphold those values.
- Everyone needs to understand the nonprofit's mission and your strategy to accomplish it.
- Workplace culture comes from the top. So, all of your leaders (even those who are not involved in a "boots on the ground" manner) need to uphold the core values in their everyday actions.
- Remember that your people are your most valuable asset and the most expensive thing to replace if lost. All employees need thorough consideration. They should be treated as individuals. Their ideas and opinions should be heard and respected. They should feel safe to voice their concerns or offer feedback. They should have their needs met and feel fulfilled in their jobs. They should also have a healthy work-life balance.

As you take steps to assess your organization's workplace culture, define your core values, and implement action plans to start instilling these values in every aspect of your nonprofit, you'll find that positive culture naturally follows strong values. Plus, you'll benefit from happier, more fulfilled employees, reduced turnover rates, and increased productivity – and all of these can help you balance your budget and navigate these rough economic waters in a much sturdier ship.