People Management in the Portuguese nonprofits

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Abstract

This study is focused on the People Management – Human Resources – in the Portuguese nonprofit organizations. The objective of this research is to contribute to the understanding of the nonprofit sector in terms of the human factor, and at the same time intends to cast light on the factors that compensate and motivate employees.

Through a qualitative approach, after conducting a number of interviews to assorted nonprofit organizations, we reach the result that more often than not these organizations have fragile procedures in what concerns staffing, performance evaluation and training & development. On the other hand, these organizations have an abundant human acumen in what concerns compensation and motivation. The experience of volunteer work supports this finding.

Given this, there is a vast array of knowledge that the social sector can transmit to the private sector.

**Key Words:** Human Resources, Nonprofits, Compensation, Motivation.

Introduction

“The world is changing faster than ever in our history. We need to evolve a new appreciation of the importance of nurturing human talent along with understanding of how talent expresses itself differently in every individual. We need to create an environment – in our schools, in our workplaces, and in our public offices- where every person is inspired to grow creatively”

Sir Ken Robinson – International leader in Creativity and Human potential.

Nowadays, more than ever, managing organizations is managing people. Human Resources (HR) management in organizations plays a crucial role in taking advantage of the potential each individual has to offer, allowing him/her to grow and to learn in from
the process. People are the most relevant and precious resource an organization can possess\(^1\).

In fact, this study intends to critically analyze this argument within the nonprofit sector. 3 main motivations have underpinned this study:

1. Understanding what drives people, what really motivates them and makes them strive to work. The social sector provides valorous clues on the reason why;
2. Contribute to the knowledge of the social sector in Portugal. The Human Resources practices in this sector remain vastly unexplored. It is therefore a challenging and innovative approach;
3. Consider the knowledge the social sector has in terms of managing people, and to what extent it could be significant to the private sector;

We will start by presenting the methodology and then move to a description of the context – the third sector. Some past research will then be reviewed and in the development section we will describe the HR practices, as we uncovered from the interviews. We will finally raise questions and suggestions in the discussion section.

### Methodology

The research was performed on a representative sample of 9 nonprofits, all of which are based in Portugal (see appendix I). The sample crosses different characteristics:

- From small scale to large scale in number of paid employees (from 4 employees to 180 employees);
- From only paid employees to fully volunteer structure;
- From low budget to high budget (from reduced funding to 35 million a year);
- Different actions: cultural, environmental, fighting poverty and hunger, health system, social development, etc;

Semi-structured interviews were made in most cases to the President of the organization because frequently there isn’t a responsible for the Human Resources Management area (1 out of 9 had a HR director). However that might even be an advantage in what matters this study as presidents usually happen to have a broader view and a deeper

\(^1\) Brewster, Chris; Less, Stephen. “HRM in not-for-profit international organizations: different, but also alike”
experience on managing people. The interviews were on average 40 minutes long. Some interviews demanded enough flexibility to explore the information given, as well as the concern to allow the responsible speak as much as possible, not to limit their answers but to provide the leads to be followed, and having an honest perception of the organization.

A general script, based on the HR scorecard\(^2\), was used as a framework (see appendix II) to evaluate the practices of Human Resources covering 5 areas:

1. **Staffing** – procedures of selection and recruitment for paid employees and volunteers;
2. **Performance evaluation** – assessment of performance and satisfaction;
3. **Training and Development** – Training and career progression;
4. **Compensation** – direct benefits and rewards, indirect benefits; Volunteers compensation;
5. **Motivation** – Transversal and central aspect. Understanding how the employees are motivated, the reasons behind it, the strategy, lessons to the private sector, working environment and challenges;

All the interviews were transcribed, providing over 50 pages of information.

In this study an international benchmark was also used, the Spanish based NGO, **Intermón Oxfam**(IO). Information was provided by several officers of the Human Resource Department. IO manages over 1000 paid employees, and almost 2000 volunteers, having therefore refined instruments and procedures of HRM. This benchmark will be used whenever appropriate in the description of the HR practices, contributing with a larger knowledge to the subject.

Several informal interviews were also performed with critical actors and leaders in the social sector – to get a pulse on what’s happening, where is the sector headed, what kind of projects are emerging and the motivations driving the people working there (see appendix III).

Overall there was a serious effort to be impartial and to evaluate reality without distorting it, both in collecting the data and analyzing it.


\(^{3}\) Intermón Oxfam is part of a global network called Oxfam, dedicated to cooperation for development and Humanitarian aid. www.oxfam.org
In order to understand the Human Resources Management in the nonprofit sector, we first need to assess its main characteristics and present challenges.

The nonprofit sector, also named civil society sector, or even third sector, is constituted by all those organizations that are not-for-profit and non-governmental. “We understand “global civil society” as the socio-sphere located between the family, the state, and the market and operating beyond the natural confines of national societies, policies and economies” 4

The nonprofit sector is a significant economic force. It had expenses in 2002, that represent 4.2% of the Portuguese gross national product. It involves almost a quarter of a million workers (FTE), of whom 70% are paid, and the other are volunteers5. From here we can derive the importance of good Human Resources Practices and their possible impact. The nonprofit organizations employ in Portugal more people than some industries such as the utilities and transportation6 (see appendix IV for graphics).

The nonprofit organizations expand their intervention in a large span of activities: culture, education, research, health, social and economic development, environment, infrastructure, law, religion, sustainability, politics, etc. In fact, these organizations face an environment of increasing uncertainty, complexity and competitiveness. “(...) by their very nature, NGOs must live and work in situations of necessary ambiguity. Some of these ambiguities are the result of the characteristics of NGOs as a form of organization- accountable to trustees in one country but working with communities in others; committed to fundamental reforms but funded by donors and supporters who (by large) demand short-term results...” 7

Nowadays the third sector faces several challenges:

- **Limited resources** – human, financial and material;

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4 Anheier and Themudo, 2002, p.193
5 John Hopkins University and Univ. Católica do Porto, Raquel Campos,( 2004 )“The portuguese nonprofit sector in comparative perspective”
6 John Hopkins University and Univ. Católica do Porto, Raquel Campos,( 2004 )“The portuguese nonprofit sector in comparative perspective”
7 Edwards and Hulme, 1995, p.224
• **Fragmentation** – there are over 5000 organizations, with no common orientation or entity to aggregate them and promote their coherence and interests.8

• **Fundraising** isn’t usually integrated in the strategy, and tends to be short term oriented, when there are long-term needs; 9

• **Propensity for weak internal and external communication**;

• **Accountability and transparency**, usually the nonprofits are less accountable and lack transparency in showing the results of projects and management of funds; 10

• **Fragile Human Resources Policies**, often failing to capture, retain and develop talent;

• **Difficulties in measuring performance** “(...) the effectiveness of such organizations may be immeasurable” 11

The present macro environment of economic crisis can be turned into an opportunity of growth, providing these organizations explore the creativity, innovation and purpose as instruments that enhance their impact, contributing to a fairer world.

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**Past Research**

Past research developed on the topic of human resources management in the Nonprofits has been somewhat disperse, inconsistent and scarce. Nevertheless during the past years a growing effort into research and investigation on this topic was apparent, given that the third sector has enhanced its participation, visibility and impact. In Portugal the most relevant study carried out so far was a research performed by the John Hopkins University in partnership with Universidade Católica do Porto, named “The Portuguese nonprofit sector in comparative perspective” 12 It is a very significant study since it provides a broad perspective of the civil society sector in Portugal, but it doesn’t address the issue of Human Resources, that remains unexplored in the Portuguese reality.

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8 Wengorovius, João (4.08.2006) Diário Económico
9 Fonseca, Manuel, 2008, “How is the fundraising policy in Portuguese nonprofits?”
10 Gray,Rob; Bebbington,Jan. 2006 “NGOs, civil society and accountability”
11 Poole et al. 2001
12 John Hopkins University and Univ. Católica do Porto , Raquel Campos,( 2004 )”The portuguese nonprofit sector in comparative perspective”
Most of the remarks present in the international literature depart from an analysis of organizations that are larger than those to be found in the Portuguese reality. Nonetheless its relevance remains noteworthy.

The first aspect to stress is the importance and centrality of human resources in these organizations. Whether in terms of costs or capacity of achieving the mission, HRM is critical to the organization success. (Brewster and Less, 2006) In addition, HR should be an integrative part of the strategy, central to achieve the mission:”NGOs need to understand that good HRM is not about diverting resources from beneficiaries to staff: it is a prior condition of them achieving their mission”13. In fact HR aren’t an additional cost, they are rather the driving force towards the accomplishment of objectives. Amusingly, it was noted that “ the problem with most nonprofits’ human resources is not enough humans and not enough resources”.14

For this reason a large challenge to be faced is the lack of resources, either financial, material or human. Some organizations face a serious difficulty when they are expanding their structures, passing from a personal relationship with the employees to a more professional one (Vernis, Saz . 2006 ).

It is common that nonprofit organizations face inadequacies in the selection process. Some have argued that at times the selection of applicants is based more on ideological grounds rather than on the basis of expertise or experience ( Ossewaarde,NijHof,Heyse, 2008). In fact, what it is relevant to take notice is that there is a delicate balance to be found between expertise and sharing the values of the organization.

Other difficulties arise when the work load and career planning aren’t integrated and balanced: According to Brewster and Less (2006) NGO employees may be led to work an unreasonable number of hours. Simultaneously, the complex nature of these organizations challenges an adequate system of measuring performance.

Intermón Oxfam, makes an important point on the employees’ motivation: “(...) it was necessary to work on the three pillars that, according to IO, sustained motivation: believing in what we do, having a rewarding job, and maintaining good working relationships with our colleagues”15. So, the belief in what is being done, a good

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13 Brewster, Chris; Less, Stephen (23.03.2006)” The success of NGOs hinges on their people but HR is neglected in the sector,”Pg.44
14 Parmenter (1999)
15 Alfred Vernis, Angel Saz . 11 march 2006 “ Intermón Oxfam: the conflict between efficiency and values”Pg.8
working environment and relationships and at the same time the feeling of achievement through rewarding compensations, either direct or indirect, are all critical. Staggering recent research\textsuperscript{16} points that for tasks that demand even rudimentary cognitive skills, a large monetary reward can lead to poorer performance. In fact, according to Irlenbusch (LSE, 2009), financial incentives can result in a negative impact on overall performance. Therefore, traditional monetary rewards aren’t as effective as we assume.

When it comes to volunteer work, most nonprofits acknowledge their contribution and value. They are in fact fundamental assets that enable the organization to carry out a large amount of work (Vernis, Saz. 2006). And they are not only important, but numerous as well (Hudson, 1999). These facts demand a very effective management of human resources, both for line managers and HR departments (Brewster and Less, 2006). Feeling valued is deeply linked to the volunteers’ motivation, as well as having a vast amount of enriching experiences “I met wonderful people and learned so much about NGOs, their various approaches and the reasons that drive people to work for such organizations”\textsuperscript{17}

From these researchers, we see that the nonprofit sector has still a long way to walk, learning some professionalized management procedures from the private sector. It would be interesting though, to see what lessons the private sector can draw from these organizations (Brewster and Less, 2006).

\begin{center}
\textbf{Results}
\end{center}

The data collected during the interviews (over 50 pages) was transformed in tables, through a process of clustering the information according to the area under study: \textit{Staffing, performance evaluation, Training & Development, Compensation and Motivation}. A summary table was created from the initial table. The consistent patterns in HR procedures, found in all or most organizations, are condensed in table I:

\footnotesize
\textsuperscript{16} D.Ariely, U. Gneezy, G. Lowenstein, & N.Mazar, Federal Reserve Bank of Boston Working Paper No 05-11, July 2005; NY Times, 20 Nov. 08. Consult Appendix VI for more details on this study
\textsuperscript{17}Petit, Annabelle, Dec2005, accountancy Ireland vol 37, “The Road Less travelled volunteering with an NGO” Pg.47
<table>
<thead>
<tr>
<th>HR Area</th>
<th>Portuguese Organizations</th>
<th>Intermón Oxfam</th>
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| **Staffing**            | • No pre-specified staffing practice to search and select applicants;  
• Recruitment is usually an informal process; Organizations lack the knowledge and the proper methods to perform interviews (often done in an informal setting);  
• Organizations use advertisements in the internet, mailing lists and contact networks as a way to do job advertisement;  
• The percentage of financial resources used in HR practices varied in the sample from 1.2% to 20% (Presidents are not aware of such figure);  
• Volunteer recruitment is done by understanding their motivations and framing them in the organization; volunteer work is regarded as professional work;  
• No regular use of job description; | No staffing procedures were described (lack of information)                                                                                                                                                             |
| **Performance Evaluation** | • No regular performance evaluation system;  
• Organizations do an informal evaluation based on personal contact and informal knowledge of the performance;  
• The evaluation is done through personal talks, knowing the person, understanding her needs and desires, and being close enough to ensure a proper follow up;  
• Surveys of job satisfaction aren’t used; | • Performance/contribution measuring system ABORA                                                                                                                                                                |
| **Training and Development** | • Weak programs of training and development;  
• Organizations provide internal training;  
• External training is often provided by other entities;  
• Career planning procedures are almost inexistent;  
• Volunteer training is considered critical; | • Training and Development Catalogue;  
• Coaching;  
• Mentoring;  
• Management Training (group sessions)                                                                                                                                                                           |
| **Compensation**        | Direct benefits: low salary (organizations face strong financial restrictions);  
Indirect benefits:  
• The feeling of making a difference in some specific reality, of having an impact;  
• Being an agent of change in the world;  
• Contact with partners;  
• “getting the feet wet”, knowing different realities;  
• Creative and challenging working experiences;  
• Schedule flexibility; | • Salary (own salary scale, starting on fixed salary);  
• Social benefits  
• Training and development (mainly for employees)                                                                                                                                                              |
| **Motivation**          | • Employees like what they are doing;  
• People are considered central, there are humanizing relationships;  
• The feeling of being part of something bigger;  
• Being involved and empowered in the work;  
• Challenging working experiences;  
• Belief in what they are doing, in the values and action of the organization;  
• Work recognition;  
• Great working environment. | • Promotion  
• Mobility  
• People are central                                                                                                                                                                                              |

Table I – Summary table of HR procedures
Early steps – Selection and Recruitment

The Staffing area reveals us the way the talent is captured. It deals with the processes of selecting and recruiting candidates.

In small nonprofits recruitment is usually an informal process restricted to a narrowed network of personal contacts. There is not a pre-specified practice to search and select the applicants as the recruitment process is often based on the organization’s current needs – a certain area is growing and they try to find someone to perform that job. Staffing works as a reactive procedure. On the one hand this practice can be appropriate since more often than not, these organizations work in a very familiar way and have a specific culture. As a result, finding a qualified person for the job can be more effective since the individual already has knowledge of the organization and shares its values. But on the other hand, this may not be beneficial to the organization, as it is closed to the same limited circle and failing to adopt an open posture. There is a significant risk of wasting human potential.

Most organizations lack the knowledge and the proper methods to perform interviews that reveal relevant aspects about the candidate. They are often done in an informal setting.

Some organizations use advertisements in the internet, mailing lists or employment pages as a way to do job advertisement. This is a classical procedure. More sophisticated organizations have connection to universities, trying to recruit the most adequate person to a certain job.

Nevertheless there are some organizations that do have a more careful recruitment system. They not only place a job advertisement, but use practices such as selection of CVs, screening of candidates and interview phases:

“We have just made a large scale recruitment for the project “Casa das Cores”. We needed 16 people and we’ve posted an advertisement through the mailing list of 6000 contacts. We knew that from there, it would spread very rapidly to several places of our interest. In the email we specified exactly what we wanted. We only received CVs through email, not overcharging the work flow on the headquarters, it is also more ecological and showing from the beginning a basic knowledge of the new technologies. We also established contacts with some universities to make public the request.
Subsequently we established a deadline to receive the CVs. Then, we made a pre-selection, and then a second application (recruitment) phase. We’ve done an interview and if needed we proceeded to a second interview.” Pedro Sottomayor - MSV President

In what concerns the criteria used to select the candidates they are often roughly defined, generally having only basic requirements to perform a certain job. Even so, several organizations assume themselves as being very rigorous in the selection:

“(…)having competence at a human and technical level, being able to work under pressure, and having the qualifications and professional experience needed” Ahmed Zakhy – President of IMVF

“We are very rigorous in the selection. Our executive director has an MBA in Cambridge, worked three years in BCG and was the best student of her year in Instituto Superior Técnico” João Meneses – President of TESE

Several organizations look for people who are able to work under pressure and in adverse conditions, which is a typical recruitment criterion in the major companies of the private sector, but also valid to some organizations – particularly those with larger volume of projects and money. Nevertheless this ability is important considering that is frequent to work with limited resources and with demanding deadlines. This kind of approach transmits a concern with professionalism, setting the standard high, and enabling these organizations to be seen as a very relevant and desired option in the job market. Unfortunately this is the exception rather than the rule.

In what concerns the percentage of financial resources used in Human Resources practices, they varied in the sample from 1.2% to 20%, depending on the size and financial capacity of the institution.

Most presidents are not aware of such figure, since this kind of information is held by people in the financial area, evidence of lack of integration of HR as part of the strategy. What regularly happened is that this knowledge of the level of resources spent in remuneration purposes are attributed to those managing each project, which can be reasonable since this person is in closer contact with the work developed and the employee performance. On the other hand it can be a sign of lack of information concerning transversal policies of HR. When asked about the percentage of funds used in the Human Resources Management, a President of an NGO answered: “I don’t have a clue.”
Taking the pulse – Performance Evaluation

Performance evaluation is about keeping track to where the organization is headed, in what concerns the employees’ motivation and performance, and how to adjust that in order to achieve the desired results. It is a precious tool of control and progress.

It is unusual to find a regular performance evaluation system in the nonprofits. Only a small number of organizations have semester evaluation and pre defined patterns.

Most organizations do an informal evaluation based on personal contact and an informal knowledge of the performance. These methods are frequent in small organizations with a reduced number of employees. Hence, the evaluation is done through personal talks, knowing the person, understanding her needs and desires, and being close enough to ensure a proper follow up.

One organization does a 360 degree evaluation (naturally in the direct work range), which is indicative of the preponderance of such instruments in the nonprofit sector.

Considering an international standard, Intermón Oxfam, we see the use of the system named Abora (see appendix V), a performance management and competency model for personal and professional development. There are clearly specified criteria and competences IO wants to recognize and develop in its workforce: Identification with IO organization, decision-making, results-orientation, team work, flexibility and adaptation to change, professional competency, inter-relational and communication skills. This casts light into the fact that it is pertinent to have certain criteria to evaluate employees, and which aspects an institution values more. The existence of such a framework that translates strategy into individual objectives, strengthens leadership and concentrates on people, is a very important common ground to develop the culture of the company and to evaluate, monitor and motivate the employees. Part of the Abora system is the framework called “Contribution Management”, which has the purpose of clarifying to every employee several aspects such as: what is expected of her/him and how she/he will be evaluated; How she/he is being evaluated globally as well as for each competency and objective established; Reinforce self-confidence and satisfaction with a job well-done; Establish and strengthen the continuous learning process; Detect and work on needs and/or development opportunities, improved attitudes, need of
change and expectations. This sort of global monitoring is very relevant to enable professional growth and expand the potential each employee has to contribute to the organization, becoming therefore more efficient and performing with a greater motivation.

**Building competences – Training & Development**

Training is a privileged way to build human competences and retain talent. Such programs not only reinforce cohesion by focusing strategy, place people in contact with new ideas, but also serve as a compensation method.

More often than not, nonprofits have weak programs of training and development. It’s an aspect of the HR management that tends to be marginalized. Some organizations provide internal training, so that the workers get more acquainted with the mission and culture of the organization as well as the projects in course. Regularly traditional forms of training are left behind, possibly for the lack of financial resources.

Nevertheless, some NGOs with larger financial muscle, like Instituto Marquês de Valle Flôr, provide each worker a financial package for formation – letting the employee free to decide where she/he wants to invest - providing an evidence of what was mentioned before.

In what regards career planning procedures, they are almost inexistent. Only a small number of more professionalized organizations have them:

“There is always a junior group, that we call defense. There is a group of project responsible, that we name midfielders, and then there is a senior group, that we call forwards, that in the consultancy firms are named partners. The typical scheme is to enter and stay two years as a defense, doing junior work, then evolve in 2-3 years to a midfield space, where you already manage people, relation with clients, making applications and managing projects, and after 2-3 years you become a forward where you coordinate and manage several projects and teams at the same time. It’s very similar to the model of consulting firms, like McKinsey and BCG”

João Meneses – President of TESE
The absence of career development practices decreases the potential appeal for a career in this sector and may lead to talent scarcity.

There are a number of organizations where training has a especially significant role, since they are preparing volunteers for performing in adverse conditions and sometimes for long time periods. One such example that illustrates the importance of training, was a story told by the director of Human Resources of Assistência Médica Internacional (AMI) – Alicia Vieira:

“The hardest difficulty we face is the training of people. One of the paradigmatic examples was a mission in Timor, and we were going to send there a doctor and two nurses. The doctor was already advanced in age and had some experience, and the nurses had just graduated. The training was given, a bit recklessly, concerning the hardships they would find on the spot, the procedures to adopt, the things to be careful about, etc. The doctor kept saying yes to everything, she understood perfectly, that it wasn’t necessary. The nurses were always very attentive and absorbing everything. The fact is that when they got to the field, one day after, or even the same day during the night, the doctor sent us a fax saying: “please get me out of here!”.

(...)She panicked with the confusion, with the dirt; She wasn’t prepared at all to the hardships she was going to face. She had an idealization of what she was going to find, which was very different from reality. We had to get an air force airplane, and have considerable extra expenses. The nurses stayed there two more years. They held up perfectly, and did an extraordinary job.”

This story reveals not only the importance of regular training, and how it can make a difference in actual performance, but also that the process of building competences can be done through direct contact with demanding experiences. Those nurses went through a huge variety of experiences, enabling them to build emotional toughness.

Considering IO practices, we realize they have a so called “Competency Development Guide”, that is a tool that helps to identify the development, self-development and training actions that favor the development of competencies (see appendix V). This instrument provides personalized advice for future development for each employee. On the other hand, they use a vast array of training and development methods: training, development catalogue, coaching, mentoring, management training and team building (group sessions).
“Compensation - salary and benefits (insurance, pensions, vacation, sick days, etc.) can be a vicious circle because an employee's performance can be influenced by compensation and benefits, and vice versa. In the ideal situation, employees feel they are paid what they are worth, are rewarded with sufficient benefits, and receive some intrinsic satisfaction (good work environment, interesting work, etc.). Compensation should be legal and ethical, adequate, motivating, fair and equitable, cost-effective, and able to provide employment security”\(^\text{18}\)

The area of compensation is intimately related to the area of motivation. Both concepts complement and reinforce each other.

In what concerns **direct benefits**, there is usually a low salary. Most organizations can’t afford higher ones and the wage levels are considerably below those in the private sector. This highlights the call for sustainability and continuity in the NFP. An employee ought to be given the opportunity of having a professional career in such institutions, with progression and quality of life. The President of MSV, Pedro Sottomayor made a meaningful observation on this issue:

“I use to say that for profit companies are institutions of solidarity in the sense that they employ a significant number of persons, and that they are responsible for the wage of those persons, and their professional lives. That is a social work par excellence (...). We, as a social institution, have to pay our employees, and one of our social actions is to provide employment and make our workers feel good, so that they can have a life with quality”.

Hence, fulfilling the needs of employees is challenging. These organizations face strong financial restrictions, meaning that they have to hire skilled but flexible human resources. Besides salary, few organizations are able to provide their employees with cell phone, health insurance, lunch, and even bonuses.

Considering now the **indirect benefits**, we face a vast array of compensations. Organizations refer different aspects as indirect benefits that their employees experience:

\(^{18}\) Cherrington, 1995.
• Experience valued in the CV – namely the social initiative a person displays, and particularly volunteer work experiences;

• The feeling of **making a difference** in some specific reality, of **having an impact** in the world is very gratifying;

• Being an **agent of change** in the world, is something that is very pleasing to those working in nonprofits;

• **Contact with partners**, and the learning process and connections that arise from that relationship is also mentioned as something that compensates employees;

• Strong **feeling of the world**, “getting the feet wet”, knowing different realities, namely those harder and intricate, like in 3rd world countries;

• **Creative and challenging working experiences.** As the President of TESE, João Meneses said:

“(...)The indirect benefits come from the human return, contributing to another type of value creation, which is not of economic value, but of human social value. I would say that the best return that can be given are very rich, creative, dynamic and challenging working experiences. We seek out that everyone gives all their energy, analysis, intelligent resources, and that they grow as a person.”

• Some NGO’s offer **schedule flexibility**, providing therefore a more balanced personal-professional living style.

Paradoxically the aspects referred by Intermón Oxfam relate more to a scale of salary, and the large indirect benefits extracted from training and development, which stresses the fact that many people tend to value experiences that foster human development and growth.

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**The driving force - Motivation**

“**Motivation is the energizer of behavior and mother of all action**”

*Business dictionary 2009*

All the steps we took so far lead us to the crucial area of the Human Resources Management: the motivation area. Motivation is the driving force, is what propels us to take action, to have a better performance at all levels, and very specifically at a professional level. We know for a fact that every human behavior has a motivation,
even when we are not aware of it. Human Resources Management is particularly relevant by studying the driving force that leads us to achieve goals and maximize our potential.

After clustering the information provided by the organizations, we reach very noteworthy observations about what drives and motivates employees performing in the social sector:

- To start with, and most likely the most transversal idea is that employees **like what they are doing**. They choose that line of work because they enjoy it. Most probably in the private sector they would be able to earn a larger salary, but they chose this one, because they like what they are doing;

- In the NFP **people are considered central**, they are actually the most valuable asset these organizations have. There are humanizing relationships, since these organizations are people oriented, and it is often heard: “*we work with people not with numbers*”;

- The feeling of being **part of something bigger**. Not only a piece in the gear, but understanding the whole structure;

- Being **involved and empowered in the work** they perform, as the President of MSV said:

  “*We want people to feel responsible for the projects they are involved in, and that they propose things. We give the project to them and we say: take it, this is yours, propose things, take the project forward, we believe in you. I think this is very motivating for them.*”

- **Challenging working experiences**, with individual growth that leverages competences. Ahmed Zakhy, President of IMVF said:

  “*(…) we are talking about people who like challenges. They see themselves succeeding.*”

  And as the President of ACEP, Fátima Proença also referred: “*It is central to feel that the person is growing with us, and that we are growing together.*”;

- **Belief in what they are doing**, in the values and action of the organization. When asked what she did to motivate employees, Teresa Paiva Couceiro, the President of FGS answered categorically:
“I can’t. We seek out people that like this, that vibrate with this work. I don’t need to motivate who is already motivated. We are motivated here!”

It is remarkable to see that the **nature of the work** is a very powerful intrinsic motivation factor;

- **Work recognition**, by which employees feel appreciated and recognized;

Naturally most organizations were very proud to say that there is a **great working environment** in their working place. This is the result of such factors but at the same time it is a motivating factor by itself.\(^1\)

To wrap up, the President of the largest Portuguese NGO – IMVF - said:

“I believe when people are cherished and valued, and given the tools, the means, the possibilities of giving their best, they do give their best. And this is much more beneficial to them.”

**Volunteers**

Most organizations that work with volunteers in Portugal, try since the beginning to understand their motivations, and then adjust them to the needs of the institution. Organizations such as Banco Alimentar, Movimento ao Serviço da Vida, Gas Porto – regard it as a professional work, in the sense that it should be done with the same level of care and professionalism:

“For me, volunteer work has to be regarded the same way a job is regarded, with the difference that it’s not remunerated. You do it because you believe in what you’re doing, you think that it’s important and that it contributes to a fairer society.”

Pedro Sottomayor – MSV President

There are also organizations that prefer not to have volunteers because they did not yet find the proper way to frame them in the organization. This reflects some maturity and pondering since it regards volunteer work as professional work and as a demanding challenge in terms of human resources management.

In terms of advantages, the President of Gas Porto, Sérgio Silva said: “There are several advantages in working with volunteers: a motivation that it is purer, more clear. There is a larger inspiration and creativity. There’s a huge team-work sense, and an enormous potential to manage...”

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\(^1\) Most of these characteristics are reinforced and backed up by research made by the “Great Place to Work” Institute Portugal - [http://www.greatplacetowork.pt/](http://www.greatplacetowork.pt/)
The President of Leigos para o Desenvolvimento - an NGO that prepares volunteers for a 1-2 years period in Africa - Hilário David mentioned: “The volunteer thinks: I have an impact in the person I’m helping. To give is to give forever. It transforms the ones who help and those who have been helped”.

Adding on, the President of Fundação Gonçalo da Silveira, Teresa Couceiro commented: “(... they have other objectives, have a different commitment to the job. We both win, they win with new instruments, and we win with the work we can develop”

Furthermore, one responsible for the Human Resources Department in Intermón Oxfam said: “We recognize the volunteer work as an expression of citizenship and as a privileged drive of social transformation that as an institution we pursue.”

But on the other hand, there are a number of disadvantages in working with volunteers, especially when it comes to commitment, professional level and empowerment. As Sérgio Silva - President of Gas Porto understood: “There is a larger complexity in managing the professional level of the group, and it demands a very attentive and excellent human resources management”

Along with that, Intermón Oxfam reinforced: “The biggest limitation to have into account is the willfulness of the collaboration and the large challenge of being able to manage that willfulness in a way such that the commitment between the person and IO, and its reciprocity, keeps on growing year after year.”

Despite the ups and downs of working with volunteers, they surely contribute to the organization and reveal the power of intrinsic motivation. They do it, as mentioned by these organizations, because they have a strong purpose when performing the work, they have the personal will to do it, a sense that is contributing to something worthwhile and belief in what they are doing has an impact.

Their compensation is a strong human and affective proximity, a direct contact with the reality they are working with, the sense of team work and achievement, recognition of their work and being seen as a significant part of the organization.

As we realize, the aspects enlightened by the volunteer work, reinforce the conclusions reached when considering paid employees. In fact, the way to compensate and motivate
volunteers is solidly based in a supportive relationship, being an agent of change, the feeling of doing something worthy, and seeing its efforts recognized.

Discussion

In this section, we acknowledge the findings of the study and to what extent they are supported by literature. We will also refer some opportunities that HR management faces, as well as the limitations of this research. Finally, the “lessons” to the private sector will be addressed.

“A major argument in the HRM literature is that HR departments can only improve the way people are managed to a limited degree. At least, or perhaps much more significant is the role of line managers in HRM. Like organizations in many sectors, the international not-for-profit organizations are not only heavily dependent on their human resources but are heavily dependent on the quality of their line managers.”

In fact, much of the work developed through the human resources management, and especially in larger organizations, has to be grounded in a mindset of empowerment, motivation and building capacities, because increasingly organizations deal with knowledge workers, who want to think and actively participate in the organizational decision making.

Staffing

Regarding the selection and recruitment area, balancing professional expertise and sharing the values of the organizations is a challenge. The results indicate that most organizations are feeble when it comes to staffing procedures, most of them made on an informal level, badly structured and planned. It could be important to:

- Explore new technologies – internet data bases, recruitment sites, mailing lists –which are means that allow reaching a vast number of persons at a low cost;
- Establish relations with top universities in the area the organization is recruiting;
- Improve job descriptions, screening criteria and recruitment standards;

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20 Brewster, Chris; Less, Stephen. “HRM in not-for-profit international organizations: different, but also alike” Pg 230
21 Alfred Vernis, Ángel Saz. 11 march 2006 “Intermón Oxfam: the conflict between efficiency and values” Pg 8
- Foster contact networks with private companies, human resources consultancy firms and social organizations, to exchange information about potential experienced candidates;
Therefore maintaining a pulse of the job market and understanding where to get the best talent and how to retain it, is highly recommendable.

**Performance Evaluation**

The question remains whether evaluation really makes sense in a more formal setting, or if informal and personal feedback is enough to maintain an assessment level and performance measurement. According to Brewster & Less (2006) it is difficult to measure performance, which is consistent with the results attained in this study. Nevertheless, it would be noteworthy to measure if performance is in fact superior in the social sector in comparison with other sectors.

The Abora template provided by IO, can serve as an inspiration for a more coherent system of evaluation and performance in managing nonprofits. Naturally it wouldn’t be applicable to the same extent considering that IO is a very large structure with different characteristics than the national ones, but having common criteria to evaluate employees, and a solid approach when it comes to measure performance is a factor of competitiveness.

Nonprofits could also get information from large international benchmarks on how to do their measurement, from organizations like the Red Cross, Save the Children, ActionAid, etc. The same technique could be used but by adapting the procedures used in the private sector by a company with similar characteristics to the organization. Furthermore it would be very helpful to use the code of best practices developed by People in Aid – expert organization in the management and support of aid personnel in the nonprofits.\(^{22}\) In the portuguese context, the organization **EntrAjud\(^{23}\)a**, has developed a significant work in the field of Human Resources, providing noteworthy services. A different level of Performance Evaluation – organizational results – should also be stressed, because of the reinforcing power for future fundraising and volunteer attraction.

\(^{22}\) People in Aid code of Best Practices in HR: [http://www.peopleinaid.org/code/](http://www.peopleinaid.org/code/)

\(^{23}\) [http://www.entrajudap.org/](http://www.entrajudap.org/)
**Training and Development**

Portuguese nonprofits could benefit from techniques such as mentoring and coaching. Coaching is especially important at the early stages of a new job, to provide direction, mutual goal setting, correction and encouragement, as the employee progresses (Cunha, GHRM, 2008). The relevance of such techniques are supported by the experience of IO.

Regarding mentoring, we realize mentors can have a decisive impact in one’s career and performance. As Ken Robinson, an international leader on innovation and human capacity would say: “*Without a knowledgeable guide to aid us in identifying our passions, to encourage our interests, to smooth our paths, and to push us to make the most of our capacities, the journey is considerably harder. (…)Mentors open doors for us and get involved in our journeys. They show us the next steps and encourage us to take them.*”

In fact, a similar system is used in GasPorto – an organization with 80 volunteers. Dealing with strong financial restrictions, they came up with a model of “godfathering”, where a new member is monitored and followed by a more experienced senior member and with a deeper knowledge of the organization and leadership skills. This also serves as a method of progress, control and performance measurement.

Most organizations favor training provided by other entities, since they don’t have the financial power to support such expenses. Hence, developing alliances with the private sector and other social institutions to foster synergies that enable stable and specialized training would be effective. The advantages of collaborative partnerships have been explored in literature. Managing people seems to be an important training need for these organizations, particularly line managers.

Finally, if we question what really enables development we get training experiences, but in fact it is contact with different and demanding experiences (as stated in the story of AMI and the nurses), that drives development.

**Compensation & Motivation**

The nonprofits in this sample do not seem to be able to provide adequate remuneration, either because of financial restrictions or due to different priorities or even bad financial

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24 Robinson, Ken, 2009, “The Element – how finding your passion changes everything” Pg186

management. However, there are some indirect compensation practices, namely work recognition, which need to be well communicated, internally and externally to the organization.

In any case, results reinforce the idea stated by Vernis & Saz (2006) whereby the belief in what is being done, a good working environment and the feeling of achievement are all central to motivate employees. Furthermore, the nature of the work is considered an important compensation mechanism.

Many of the motivational factors pointed by the study relate to the importance of the organization’s ideals and management by values, which are critical as Dolan and García (2006) noted. In fact, motivational factors such as personal-orientation, work recognition, demanding experiences, empowerment and good working environment are strongly related with the organizations’ vision and mission.

Our results show that there is in reality employee motivation, however we could question if higher salaries would enhance effectiveness. Nevertheless, recent research by Irlenbusch (LSE, 2009), says otherwise. In addition, it could be important to better understand the trade-off between the nonprofit instability and reduced salaries, and higher meaning and motivation.

When considering IO, the main factors of motivation that are pointed out are promotion and mobility. These factors weren’t mentioned in the national organizations, possibly due to stronger financial impediments or even lack of vision when it comes to the competitive advantages of promotion and mobility.

Regarding Volunteer work, we have realized that the challenging management of volunteers will require a cautious selection and screening of candidates, clear guidelines to the employees that will supervise them and especially conceived training and support programs. Nevertheless, we may question whether the institutions are in reality doing a proficient management of volunteers and to what extent is it preferable not to include volunteers in the organization.

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26 Brewster, Chris; Less, Stephen. “HRM in not-for-profit international organizations : different, but also alike” Pg 220
Limitations

This study faced several limitations, and a number of approaches were elaborated to mitigate those problems.

Firstly, a reduced sample can be misleading and biased; naturally there was an effort to interview more organizations but unfortunately they were not available. Therefore the evidences were drawn carefully, and revealed those aspects which were consistent across the sample or that illustrated a wider reality;

Secondly, the mission specificity must be stressed as well as the diverse action range of the organizations. Despite different actions, the focus of comparison is done in the dimensions of the organization’s Human Resources that remained valid and significant.

Furthermore, the information gathered on the organization is provided by one person only - the president generally - transmitting therefore only his/her perspective of the organization. To lessen this weakness, a research on the organization, previously to the interview was performed.

Lastly, some interviewees weren’t acquainted with the language of human resources management, providing sometimes more abstract answers. Therefore, previous research on the organization was conducted as well as flexibility during the interviews to adapt to other “language codes”, and also tackle aspects not related to HR.

Lessons to the private sector

As mentioned in the introduction, the purpose of this study is not only to make a description of the human resources practices in the Portuguese nonprofits, but simultaneously analyze whether some of these practices may be transferred to private sector organizations. Some of these issues are:

- The care for people and understanding what drives them, as well as the type of relationships that are established in a working environment. They ought to be personal and respectful relationships, creating a space for questioning, contributing and mutual understanding and dialogue. Notably, the President of GasPorto, Sérgio Silva considered:

  “(...)a good understanding of the human being, of his motivations, and a relationship based upon mutual respect is required. The basis of the relationship isn’t a boss authority towards subordinate, implying therefore a better relationship between hierarchies. This relationship fosters happiness, productivity, creativity and
innovation. And these aspects are precisely the most sought for in the private sector. They do have a lot to learn in this area...”

- **Employee flexibility**, in terms of allowing for flexible schedules, which allow for a better work/life balance, as well as functional flexibility, that is, developing different skills that may be used in different tasks;
- **Social responsibility** issues that are seen as a duty, and as a factor of competitiveness:

  “(...) There is a generation that needs purpose, and with a much broader global consciousness. A consciousness of sustainability, social imbalances, environmental issues. It is impossible for each one to think that this is the mission of the state, or the other’s mission, or of the church, or of the World Bank, or the United States, because we all know that it’s not.” — João Meneses – President TESE

- **Soft Skills** provided to employees. There are very enriching experiences, in a changing environment, by working with different people, for various purposes, and in touch with significantly different realities – from 3rd world countries, and situations of extreme poverty to promoting education for development or cultural initiatives. The span of action and approaches is enormous, and extremely enriching to those in contact with such an environment.

Summing up, the nonprofit sector has in fact a long way to walk, improving its management practices and efficiency, through effective human resources management. But on the other hand we realize that there is a human acumen detained by the nonprofit sector, which can turn out to be crucial to the private sector, and its demand for higher performance. It is in fact a win-win situation, where both have a lot to learn from each other. Furthermore, it has so far been mentioned the lessons to the private sector – since these insights were provided by the organization’s officers – but they can also be applicable to the public sector. In fact, there is also a larger similarity to this sector, because supposedly the public administration has a mission related to public service, and the advantages referred previously, on management by values and importance of the mission could be especially relevant to transfer for this sector.
Conclusion

According to the results achieved, after analyzing the practices of people management in the Portuguese nonprofits, we found a general lack of pragmatism and systematization of Human Resources procedures, especially when it comes to Staffing, Performance Evaluation and Training & Development.

In view of the compensation area, the benefits extend beyond a regular salary, and the employee’s motivation is especially achieved through indirect benefits, which agrees with a recent study from LSE.\(^{27}\)

One of the most important issues uncovered by this study is related to the motivation area, where we account for general enjoyment for the job performed. Several factors were pointed as crucial to motivate employees: people are considered central, the feeling of being part of something bigger, the involvement in the work, a strong belief in the work developed, good work recognition, challenging experiences, and great working environment.

In fact, such conclusions are reinforced by the experience of volunteers, that serving without any monetary counterpart, do it because they have a strong purpose, a sense of contribution to something worthwhile and a belief in what they are doing. On the other hand they feel compensated by a close human proximity, the contact with different realities, a sense of team work, achievement and recognition.

The nonprofits have several opportunities to improve people management, such as using techniques like coaching and mentoring. They could enjoy the specialized services on HR provided by entities such as EntrAJuda or People in Aid. These organizations should rethink the importance of a solid human resources approach as factor of competitiveness. They can also foster new alliances and partnerships with the private sector and other institutions. In fact, in what regards the relationship between private and social sector, there are a number of synergies that can be explored.

\(^{27}\) Dr. Bernd Irlenbusch, June 2009, London School of Economics. Consult Appendix VI for more details on this study.
Appendices

Appendix I – Interviews conducted

- **AMI** Ajuda Médica Internacional—Alícia Vieira – Director H.R
- **FGS** Fundação Gonçalo da Silveira – Fátima Proença – President
- **ACEP** Associação para a Cooperação entre os Povos – Fátima Proença – President
- **MSV** Movimento ao Serviço da Vida – Pedro Sottomayor - President
- **LD** Leigos para o Desenvolvimento – Hilário David – President
- **BA** Banco Alimentar – Isabel Jonet – President
- **TESE** Tecnologia e Engenharia para a Saúde e Inovação – João Meneses – President
- **IMVF** Instituto Marquês de Valle Flôr – Ahmed Zahky – President
- **GasPorto** Grupo de Acção Social do Porto – Sérgio Silva - President
Appendix II - Interview guideline – estimated time 40 min

1. Staffing – Selection and Recruitment
   How is the recruitment conducted? What are the criteria used?
   What are the biggest concerns you have in the staffing process?
   How is it made the distinction between the remunerated regime and volunteer work, does the process change?
   What is the average contract duration?
   What percentage of the financial resources of the organization are used in HRM?

2. Performance Evaluation
   Is the staff evaluated? If so, how often?
   How to you measure the performance of colaborators and volunteers?
   Is there a distinction between both regimes?
   Do you utilize work satisfaction surveys?
   What are the largest advantages and disadvantages in working with volunteers?

3. Training and Development
   Do you have any training program for the colaborators?
   Having this program, do you think is a worthy investment?
   Are there any career planning procedures?

4. Compensation
   How do you compensate the paid employees?
   Besides the monetary reward, what kind of benefits do you have?
   What do you think it could be improved to what concerns indirect benefits?
   How are you able to compensate and motivate volunteers?

5. Motivation
   How do you get the proper motivation for the employees? Volunteers and paid workers?
   Do you feel the H.R policies contribute to motivate the personnel?
   Do you think HRM should be more involved in strategy, as well as aligned with the organization’s mission?
   What lessons do you think the private sector can learn with the social sector, specially in what concerns motivating and managing people?
   Do you feel a difference in the employee’s satisfaction in comparison with other organizations that don’t have this kind of mission and objectives?
   Is there a good working environment?
   What would you change in the HRM in this organization, and what wouldn’t you change?
   What are the biggest challenges you face when trying to inspire and motivate the staff?
   Do you have any story that you want to share, that helps to understand the paradigm according to which the nonprofits work?
Appendix III – Intermón Oxfam interviews and Informal interviews

Responsibles for HR department in IO - Anna Lupión, Ana Santiago, Mireia Muratet, Laura Azpilicueta.


Sofia Santos – Partner of Sustentare – consultancy firm for sustainability

Miguel Alves Martins – Executive director of Instituto de Empreendorismo Social

Susana Frazão Pinheiro – Executive director of IES, consultant at U.N development program.

João Cotter Salvado - Graduate Student in NGOs and Development, London School of Economics;

Ana Sassetti Mota - Directorate for Legislation and Documentation Services – Presidency of the Council of Ministers. (nonprofits legislative aspects)

Nicholas Mckinlay – Executive Director of Aga Khan Foundation Portugal
Appendix IV – Graphics on Labor Force in Portuguese nonprofit sector

Figura 1 - Força de trabalho das organizações da sociedade civil em contexto, Portugal

<table>
<thead>
<tr>
<th>Sector da sociedade civil</th>
<th>Emprego (milhares)</th>
</tr>
</thead>
<tbody>
<tr>
<td>SONAE**</td>
<td>28</td>
</tr>
<tr>
<td>Utilities</td>
<td>40</td>
</tr>
<tr>
<td>Construção</td>
<td>618</td>
</tr>
<tr>
<td>Transportas</td>
<td>205</td>
</tr>
<tr>
<td>Indústria manufactura</td>
<td>1,052</td>
</tr>
</tbody>
</table>

* Incluindo voluntários
** Maior empresa privada

Fonte: Projecto Comparativo do Sector Não Lucrativo da Johns Hopkins

Figura 2 - Força de trabalho das organizações da sociedade civil em percentagem da população economicamente activa, por país

<table>
<thead>
<tr>
<th>País</th>
<th>Trabalhadores remunerados</th>
<th>Trabalhadores remunerados</th>
<th>Voluntários</th>
</tr>
</thead>
<tbody>
<tr>
<td>Holanda</td>
<td>14.4%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Canadá</td>
<td>10.3%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bélgica</td>
<td>11.1%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>França</td>
<td>4.8%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Noruega</td>
<td>6.8%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Suécia</td>
<td>7.6%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Austrália</td>
<td>6.3%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Alemanha</td>
<td>6.9%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Finlandia</td>
<td>5.3%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Brasil</td>
<td>2.3%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Portugal</td>
<td>4.0%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Espanha</td>
<td>4.3%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Japão</td>
<td>4.2%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tunisia</td>
<td>2.1%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Roménia</td>
<td>0.9%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>México</td>
<td>0.4%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Fonte: Projecto Comparativo do Sector Não Lucrativo da Johns Hopkins
Appendix V - Adaptation of main aspects of I. Oxfam’s Abora system

It is an organizational investment with a high return that puts the Institutional Strategy into individual objectives, strengthens leadership and concentrates on people

GROWTH AND DEVELOPMENT: El Ábora en IO es un instrumento que nos ayuda a aprender a partir del análisis de los resultados conseguidos y a desarrollarnos y crecer personal y profesionalmente trazando planes de desarrollo y haciendo seguimiento y evaluación de los mismos.

GUIDE AND ORIENTATION El Ábora en IO permite fijar objetivos y planes de acción que orientan nuestra actuación durante el ejercicio para conseguir unos resultados; nos guían ya que nos indican en qué debemos focalizarnos, qué es lo importante y qué es lo que se espera de nosotros y nosotras. Y a lo largo del ejercicio nos permite hacer seguimiento, y finalizar con una evaluación de todo ello.

TAKE CARE OF AND MOTIVATE PEOPLE: El Ábora en IO permite un espacio, un tiempo, una herramienta para poder motivar a nuestros colaboradores y colaboradoras, darles reconocimiento, expresar inquietudes, escuchar, hablar, compartir, evaluar y fijar objetivos nuevos y motivadores para el próximo ejercicio.

General Objectives:

• Accomplish the mission and objectives of IO through the contribution of every one of its members.

• Development of the EOP through:
  • The analysis of the results and opportunities to improve
  • The evaluation of competencies (only in the Complete Version)
  • The establishment of development plans

Specific Objectives:

• Plan and focus the work that is to be complete in the year and the Development Plan that is to be carried out as well.

• Follow up and evaluate the work done and the professional development reached.

  Benefits: Integration with the Institutional and Departmental Planning.

➢ So that everyone knows:
  • What is expected of her and how she will be evaluated
• How she is being evaluated globally as well as for each competency and objective established.

- Reinforce self-confidence and satisfaction with a job well-done.
- Establish and strengthen the continuous learning process.
- Detect and work on needs and/or development opportunities, improved attitudes, need of change and expectations.

**MODEL OF COMPETENCY MANAGEMENT**

The **competencies** are the **knowledge, abilities and behavioral characteristics** that an organization wants to develop and/or recognize in its collaborators in order for them to develop and orient their action towards the objectives and achievements of the organization. The competencies are specific to the organization, aligned with the people, observable and measurable.

**Generic Competencies**
Identification with IO; Organization; Decision-making; Results-Orientation; Team work and collaboration; Flexibility and adaptation to change;; Professional Competency

**Inter-relational and communication skills**

**Applicable to people who manage teams** Leading People; Developing People

**Strategic Vision (*)&

**Competency Development Guide**

The Competency Development Guide is a tool that helps to identify the development, self-development and training actions that favor the development of competencies. It is structured in the following manner:

<table>
<thead>
<tr>
<th>Competency</th>
<th>Medium - High Level</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Self-development</td>
<td>• What can I do in order to continue developing the competency?</td>
</tr>
<tr>
<td>• Development</td>
<td>• Development</td>
</tr>
<tr>
<td>• What can others do to help me develop the competency? My manager, my collaborators, my colleagues...</td>
<td></td>
</tr>
<tr>
<td>• Training</td>
<td>• What courses can I take to continue to develop the competency?</td>
</tr>
<tr>
<td>• What courses can I take to develop the competency?</td>
<td></td>
</tr>
</tbody>
</table>
Appendix VI

July 2009 – TED talk by Daniel Pink – “Dan Pink on the surprising science of motivation”
(Career analyst Dan Pink examines the puzzle of motivation, starting with a fact that social scientists know but most managers don’t: Traditional rewards aren’t always as effective as we think.)

“Dan Ariely, a great economist of our time, and 3 colleagues made a study, giving to some MIT students, games that involved creativity, motor skills, and concentration. They offered them for performance, 3 levels of reward, small, medium, and large reward. If you did really well you got the large reward, and on down. They reached this conclusions:

“As long as the task involved only mechanical skill, bonuses worked as they would be expected: the higher the pay, the better the performance.” “But once the task called for “even rudimentary cognitive skill”, a larger reward led to poorer performance”


The same experience in places with different standard of living (India for example) revealed that: “In eight of the nine tasks we examined across the three experiments, higher incentives led to worse performance”.

(...) In June 2009, economists at London School of Economics looked at 51 studies of pay-for-performance plans inside companies. They reached this conclusion:

“We find that financial incentives... can result in a negative impact on overall performance.”

Dr. Bernd Irlenbusch, London School of Economics.

(...) Scientists who have been studying motivation have given us this new approach. It’s an approach built much more around intrinsic motivation, around the desire to do things because they matter, because we like it, because they are interesting, because they are part of something important.

(...) And to my mind, that new operating system for our businesses revolves around three elements: autonomy, mastery and purpose. Autonomy: the urge to direct our own lives, mastery: the desire to get better and better at something that matters, purpose: the yearning to do what we do in the service of something larger than ourselves”
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Netgraphy:

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http://www.plataformaongd.pt/
http://www.hsph.harvard.edu/chc/wmy/
www.tese.org.pt
www.imvf.org
www.fgs.org.pt
www.bancoalimentar.pt
www.gasporto.pt
www.msv.pt
http://www.ecclesia.pt/leigos/
www.ami.org.pt
www.fecongd.org
www.oikos.pt
www.oxfam.org
www.intermonoxfam.org
www.acep.pt
www.akdn.org/portugal
www.objectivo2015.org
www.sustentare.pt
www.ies.org.pt

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www.ted.com - Why we do what we do – Anthony Robbins

www.ted.com - School kills creativity – Ken Robinson