KEY AREAS OF NONPROFIT EXCELLENCE

The 40,000 nonprofits in the New York City area represent one of the largest and most diverse communities of nonprofits in the country. They provide most of our art and music and crucial services that improve the welfare and well-being of individuals, neighborhoods, and communities. Well managed nonprofits are critical in providing effective services that we all rely on.

Nonprofit New York developed the Key Areas of Nonprofit Excellence to give nonprofits a roadmap of core management excellence areas and performance strategies. Though the nonprofit sector varies in size and mission, and the art and science of management is ever-evolving, these Key Areas are a good starting point for evaluating an organization's management practices and potential for growth and improvement.

Underlying each of these principles is an assumption that the organization complies with federal, state, and city regulations that apply to nonprofits generally, and various nonprofit fields specifically. Each of the Key Areas includes: (1) an explanation of the topic; (2) baseline standards that Nonprofit New York believes must be met in order to demonstrate strong nonprofit practice; and, (3) aspirational practices that demonstrate progress and deepening strength of the nonprofit sector. The Key Areas are intersectional and are a guide, but are not meant to serve as a checklist, or one-size-fits-all mandate. Instead, we hope they inspire you to think about your organization’s nonprofit management and what would work best for you. In line with our understanding that excellence evolves, we expect the list to change over time as we all further define nonprofit excellence. Each year we update these Key Areas and, in 2019, Nonprofit New York included one additional Key Area: Advocacy and Strategic Alliances.

These Key Areas are used throughout Nonprofit New York’s programming, but were originally developed for Nonprofit New York’s Nonprofit Excellence Awards program. This program provides nonprofits with an opportunity to learn about these Key Areas, assess their own organizational management, access resources and education that support improvement, and apply for an Award that recognizes their excellence and allows them to share their proven practices with the entire sector. The Nonprofit Excellence Awards encourage a growing number of today’s nonprofits – as well as those who observe, support, and study them – to pursue excellent management practices and to contribute to our field’s growing legacy of excellence. We hope these Key Areas of Nonprofit Excellence inspire your organization to grow and evolve.
AREA 7: HUMAN RESOURCES ARE VALUED AND DEVELOPED

Intentional Talent Recruitment, Development, and Retention

- Recruitment, hiring, on-boarding, engagement, development, evaluation, and retention of staff reflect the organization’s mission, organizational needs, and are conducted with a lens of equity and inclusion.
  - **Standard:**
    - The organization is intentional in its recruitment and utilizes strategies to build diverse candidate pools and pipelines.
    - Clear hiring criteria are identified and hiring teams actively reflect on their own biases and hold themselves accountable for mitigating against them.
    - All positions have appropriate, fair, and equitable salaries and there are clear and documented promotion criteria.
    - The organization offers professional development opportunities, and staff have access to necessary training to perform their duties well.
    - When relying on volunteers, the organization has clear volunteer position descriptions, an official on-boarding process, appropriate supervision and tracking, and a recognition and retention strategy.
    - The organization ensures that all staff who leave receive exit interviews and their feedback is appropriately evaluated and incorporated.
  - **Aspiration:**
    - Job requirements set low barriers, value lived experience, and do not require education, experience, or skills that are not critical to the job.
    - Recruitment practices include long-term strategies (e.g. partnerships and internal career pathways) and staff and board engagement to build a strong candidate pipeline for the organization.
    - The organization has a mechanism for involving stakeholders during any key hire to ensure that there is organizational buy-in.
    - Staff performance reviews are tailored to each position and linked to mission-related goals and performance conversations happen throughout the year.
    - The organization creates "stretch assignments" and employs a "growth pipeline" to retain talented staff by providing them with leadership opportunities.
    - The organization engages in regular succession planning for its leadership roles and other key staff roles.

Ongoing Management of Human Resources

- The organization has systems and structures in place that support the ongoing management of human resources in order to support staff and provide clear direction.
  - **Standard:**
    - The organization has job descriptions for each position and creates an intentional onboarding process, with clear 30-60-90 day goals, for individuals who are entering new roles.
• Managers conduct regular check-ins with their staff and offer real-time feedback, as well as annual performance reviews for all employees.
• The organization periodically reviews the organizational chart and recommends adjustments to improve efficiencies to the structure and to support change, expansion, and growth.
  ◦ Aspiration:
    • The organization has a compensation structure that is clear to staff, reviewed against benchmarks, and updated annually.
    • The organization engages in an organization-wide goal-setting process so that each staff member has clarity on the big picture outcomes of the organization and the connection to their individual goals.
    • The organization has metrics for success for the human resources department (e.g. staff demographics by job level, time-to-hire, % retention) and collects relevant data to evaluate organizational health and equity.
    • The organization has a mechanism for ensuring institutional memory is preserved and archived and does not depart when staff leave the institution.

Work Environment Promotes Safety, Success, and Balance
  □ The organization continually works to provide a safe and healthy work environment, protecting clients, employees, and volunteers from harm and unnecessary risk, including regular efforts to ensure standards of prudent care.
  ◦ Standard:
    • The organization has written personnel policies that comply with current regulations and that are communicated to staff and reviewed at the board level.
    • The organization has an articulated vision for an inclusive workplace culture it is working to create.
    • The organization encourages and makes space for staff to connect with others around the different dimensions of identity and how that plays out in their work.
    • All staff are given an opportunity to give regular feedback about their workplace experience without retaliation and to recommend and/or assist with changes.
    • The organization’s staff are trained to understand the whistleblower and conflict of interest policies and know how to report suspected fraud.
    • The organization offers an internal process that fields employee relation issues and is able to effectively coach staff toward solutions.
    • The organization encourages and ensures implementation of policies that support work-life balance and the personal needs of all staff, such as caregivers.
  ◦ Aspiration:
    • Staff are regularly asked to provide feedback about their work environment, leadership analyzes the data, and reports back this analysis and next steps.
    • Board and senior staff regularly plan activities that allow the board to engage with the entire staff of the organization.
    • The organization offers sabbaticals to long-tenured staff.
    • The organization’s culture regularly celebrates staff and its achievements.
AREA 8: PLANNING AND EVALUATION GUIDES THE MISSION AND VISION

Clear, Effective Mission, Vision, and Values Lead Planning and Assessment

- The organization has clear mission and vision statements and articulated values that guide organizational decision-making and practice, and supports organizational capacity to meet challenges, and achieve results.
  - **Standard:**
    - The mission clearly expresses the purpose of the organization and the need it is meeting, and planning and assessment strategies reflect this mission.
    - The organization has a theory of change, and clearly conveys how and why the organization’s desired impact is expected to be achieved.
    - Short- and long-term targets for the organization’s scope of work all relate back to the mission.
    - Organizational activities support the mission.
  - **Aspiration:**
    - The organization has a value statement that supports the mission and vision.
    - Mission, vision, and values are used to support and identify opportunities for ongoing innovation and creative development within the organization.
    - The organization’s strategic planning process includes results from an environmental scan, which takes into context key issues and trends in the coming years for its communities and considers the work of its counterparts.
    - Workplans connect directly to the strategic plan objectives.
    - Mission, vision, and values are periodically revisited and assessed to ensure continued relevance to key stakeholders and the community.

Planning and Forward Thinking Is Strategic, Consistent and Rigorous

- The organization regularly engages in short- and long-term strategic planning exercises to ensure the ongoing vitality of the mission and vision and efficacy of the organization’s programs in achieving those goals.
  - **Standard:**
    - The organization uses a theory of change to gauge programmatic and operational priorities, as well as areas of growth and strength.
    - The organization’s strategic plan has clear goals with specific activities, timelines, persons responsible, a framework for regular progress reports, and includes a clear plan to fund these goals.
    - Strategic planning encompasses more than just programmatic growth, and includes infrastructure and technology growth and needs, plus a detailed and achievable financial plan for funding its full costs.
    - Staff at all levels are involved in strategic planning and are provided with professional development to actively engage in the strategy.
• Strategic plan goals are regularly monitored and activities are adjusted based on organizational and environmental realities.

  o **Aspiration:**
    • Risk and opportunity are actively monitored through the planning, implementation, and evaluation process of any new initiative.
    • Organizational management clearly communicates that reflective learning and evolution of program development informs strategic planning as much as successes do.
    • The organization develops a yearly operational plan that outlines requirements for key activities in terms of financials, personnel, technology, etc.
    • The organization engages in creative thinking and other design work to encourage innovation and forward thinking at all staff levels.

Regular Measurement, Review, and Use of Program and Organizational Results

  • Program and organizational results are clearly articulated and regularly tracked, reviewed, and reported against targets; results are achieved and sustained over time and, where appropriate, scaled up; and the organization regularly learns from results.
    o **Standard:**
      • Desired program results (including outputs, outcomes, and satisfaction) are clearly defined, regularly tracked and compiled, and staff understand the difference between the type of results.
      • Program results are regularly reviewed, shared, and discussed by staff to understand and strengthen organizational performance and learning.
      • The organization conducts and reports on periodic assessments of progress towards achieving short- and long-term organizational goals.
      • The organization engages in reflection and improvement planning that is inclusive of stakeholders most directly impacted by the mission, and is culturally appropriate for the communities served.
      • The organization has the necessary and appropriate staffing, and technology to robustly capture and compile data beyond demographics and outputs.

  o **Aspiration:**
    • The organization engages in multiple forms of data collection, measurement, and evaluation to capture and communicate performance and outcomes in diverse ways.
    • Organizational dashboards tell the story of operational effectiveness, financial health, impact reach, and growth of the organization and are regularly reviewed.
    • The organization regularly shares evaluation results with key stakeholders and constituents.
    • The organization captures narratives and qualitative outcomes and incorporates them into reports and impact analysis.
    • Evaluation and assessment of programs are done both internally and by external evaluators on a periodic basis, and industry benchmarking is used for relevant comparisons.