Organizational Audit

Connor J. Ganyo

Concordia University, Nebraska

Abstract

The company I will be doing my organizational audit on is Heartland Family Service, a non-profit company in eastern Nebraska and southwest Iowa. The issues I discuss with Mary O'Neill, a higher-up within the organization, are a lack of diversity in leadership, a struggle to communicate effectively with hundreds of employees, and making competitive salaries as a non-profit.

In this audit, I will first discuss what reputable sources say about the issues Heartland Family Service faces. I will then discuss more in-depth the issues that Heartland Family Service faces and how they deal with them, specifically from their viewpoint, which are a lack of diversity in leadership, struggling to communicate effectively with hundreds of employees, and making competitive salaries as a non-profit. Finally, I will compare what outside sources say about the issues they are facing with what Heartland Family Service is doing. I will acknowledge what I think Heartland Family Service is doing well and also provide recommendations on what I think they should do to combat their issues. This audit is important because companies should acknowledge what they struggle with and try to find ways to improve upon those areas. Companies that consistently evaluate themselves to make improvements will be more successful.

The first issue Heartland Family Service faces is a lack of diversity in leadership. There is evidence of a positive relationship between achievement scores in school and racial diversity (Angioloni & Ames, 2015, p. 266). I think it's also possible for a positive relationship between employee achievement and racial diversity. If kids at school are performing better and a reason is a racial diversity than I think employees can find a way to perform better with help from racial diversity. I think that racial diversity if implemented appropriately, can only help an organization that struggles with it.

Workplace diversity is extremely important. Including older generations in the labor force is extremely important. Between 2016 and 2026, the labor force will become older and more racially and ethnically diverse (Grissom, 2018, p. 242). It’s important to include older generations in the labor force because the labor force is trending that direction. Older generations have a lot to offer in a company and will naturally have more experience. Racially diversifying your workforce will give you different viewpoints on so many different areas. Ethnically diversifying your workforce will include so many different backgrounds and therefore everyone can learn from each other.

There is a positive correlation between innovation and cultural diversity. Cultural diversity can boost innovation (Ozgen, Nijkamp, & Poot, 2017, p. S31). I was not surprised to find this out in this article. When you bring people into a workforce from a bunch of different cultural backgrounds, people learn that there are so many different ways to do things. So many ideas are brought to the table so it’s not surprising when an innovative idea comes up. That innovative idea can then be turned into a reality. Chances are, the more cultures you integrate into a workforce the more innovative ideas come up.

Diversity in the workforce is positively associated with the well-being of employees (Rajput & Talan, 2017, p. 669). When employees can learn from other employees that are different from them, that helps their well-being. Learning a different way to do something, that may be better than the way you did it, from someone else is a very good way to improve as a person. Taking positive things from the people around us and incorporating them into our lives is a normal thing to do and a great way to improve our well-being. The more different people are around you, the more you can learn from them because they’ll most likely do a lot of things that you don’t do.

Women, racial, and ethnic minority members are still underrepresented in leadership positions all over the world, even though globalization and demographic changes have promoted increases in social diversity within the workforce. Although employment laws can support equality, there are still fewer women, and fewer racial minorities in leadership positions than expected based on demographics of workforce and population. This suggests that barriers to leadership are based on social processes, like unconscious bias, stereotyping, and failure to effectively manage diversity (Randsley de Moura, Leicht, Leite, Crisp, & Goclowska, 2018, p. 166). People who hire other people for positions of leadership need to recognize they may have an unconscious bias against women or racial minorities. They need to strictly focus on merit, and who is more qualified and deserving of the job. It doesn't matter what gender you are or what you look like or where you come from if you are the best person for the job than you should get the job.

The second issue Heartland Family Service faces is a struggle to communicate effectively with hundreds of employees. There is an imperative need for effective communication in the corporate world. Improved written communication systems can make employees happier with their jobs, cut down on confusion and paperwork, and bring in more business (Mishra, 2015, p. 749). The quicker and more concise you can communicate with your employees the better. There's going to be less confusion the simpler you make it. As long as it's still effective, you should try to make your system of communication as simple as possible. Technology is a good way to communicate as long as people know how to use it. It's also a great way to cut down on paperwork. People are naturally going to be happier when they aren't confused and they know exactly what they're supposed to do. Effective communication systems can provide some happiness for your employees. If you communicate well with the people outside your business, it’s certainly going to bring in more business.

Managing emails and avoiding email overload is critically important for employees. The number of emails you receive and the expectation of giving an immediate response are associated with email overload and high levels of stress (Pignata, Lushington, Sloan, & Buchanan, 2015, p. 159). Email can be an effective form of communication for almost all organizations, and almost all organizations use email. On the other hand, sending too many emails can be detrimental to your organization. Organizations that communicate by email should make sure their employees know how to manage constant emails. If they don’t know how to manage them, the organization needs to have a way to teach them. Employees should try in every email to let the receiver of the email know whether or not they need an immediate response or not. This will help the receiver manage their emails better and therefore they won’t experience email overload or high levels of stress.

The third issue Heartland Family Service faces is making competitive salaries as a non-profit. Competitive salaries are a highlighted need for some groups of people. There was a survey done where respondents prioritize workforce needs for 29 occupations. The most frequently reported workforce need types were more competitive salaries and more qualified candidates (Beck, Leider, Coronado, & Harper, 2017, p. 1419-1420). People want a competitive salary so they’ll stay at your company or choose your company. If you can’t provide them a competitive salary, they’ll leave your company to go somewhere that can provide a competitive salary or they’ll choose a company that can provide a competitive salary.

Employees want to have career satisfaction, as in satisfaction with their career trajectory and perceived salary competitiveness. There is a strong correlation between perceived salary competitiveness and career satisfaction (Faupel-Badger, Nelson, & Izmirlian, 2017, p. 3). People are going to feel more satisfied with their careers and what they’re doing in life when they make a really good salary compared to the people around them with the same job. They are also going to feel more satisfied when they know where their career could take them. They’ll be happy when they know they won’t be stuck in one position forever and they’ll have opportunities to do something bigger.

Staff nurses in hospitals have some dissatisfaction with the nurse manager practice because one of the areas they think needs improvement is keeping competitive salaries for the staff nurse positions (Khomami & Rustomfram, 2019, p. 1552). Competitive salaries can be a tool for retaining and bringing in talented employees, a tool that not all companies can utilize. Hospitals seem to be a place where they can be utilized but aren’t in certain situations, unfortunately. Many non-profit organizations wish they could create competitive salaries for all, but that's just not possible. If a hospital doesn't think it can give competitive salaries to nurses, it's going to be difficult or impossible for a non-profit to create competitive salaries for all its worthy employees or worthy potential employees.

I interviewed Mary O’Neill, Chief Program Officer for Heartland Family Service. The mission of Heartland Family Service is to “strengthen individuals and families in our community through education, counseling, and support services. Founded in Omaha in 1875, Heartland Family Service connects with more than 54,000 individuals of all ages each year from more than 15 locations in east-central Nebraska and southwest Iowa. Our 50 programs provide critical human services to the individuals and families who ultimately shape the future of our community in the following focus areas: Child & Family Well-Being, Counseling & Prevention, and Housing, Safety, & Financial Stability” (Our Mission, n.d.), (see Appendix A for a question about the companies purpose/mission). They provide professional, compassionate, systems-oriented helping services. They are a private agency not affiliated with a religious organization. They have 459 staff members, 398 volunteers, and 1,539 donors. They have a reputation for quality programs, conscientious management, excellent customer service, and they’ve been Accredited by the Council on Accreditation since 1984 (Our Mission, n.d.).

Heartland Family Service deals with a lack of diversity in leadership by having a Diversity Coordinator (see Appendix B for a question about how to deal with a lack of diversity in leadership). This Diversity Coordinator is on their leadership team and their job is strictly to promote diversity in the organization. From a Human Resource perspective, they try to target diverse populations with their hiring practices. If they are looking for someone to hire whose Latino, they won't target Caucasian populations. If a certain diverse population doesn't look in certain areas for jobs, they'll put job postings where they do look and not where they don't look. If a Latino population doesn't look at newspapers anymore for job postings, they won't put the job posting in the newspaper. They instead might put the job posting more online because that's where that Latino population might be looking. The Diversity Coordinator works very closely with Human Resources to hire diverse people. Together, they'll identify areas they may need to diversify in and they’ll hire qualified people based on that.

Heartland Family Service communicates effectively with hundreds of employees by doing a few things (see Appendix C for a question about Heartland Family Service’s communication). They have agency newsletters that go out by email and those include department information. They put a lot of information out about updates in the newsletter and social media. The CEO, Human Resource Department, and Diversity Coordinator send messages in this newsletter. There is quarterly face to face all staff meetings, and they have one coming up soon in Council Bluffs. All the staff from all the programs go to this meeting. The purpose of these meetings is to update the employees on agency news. Mary will also meet with all the program directors and then, in turn, they'll meet with the people below them. It's impossible to meet directly with all the staff members so the program directors need to meet with their staff. Heartland Family Service has an open-door culture so they always have an open-door policy. Any employee can bring a concern to Mary or even call her and she’ll meet with them. They can contact her directly if they have a question about something. You don’t have to go up the chain of command or ladder to talk to her.

Heartland Family Service makes competitive salaries as a non-profit by participating in non-profit salary surveys themselves so they can collect and provide data (see Appendix D for a question on competitive salaries). Their Human Resource office fills out these surveys with all the position's salaries and benefits. Other organizations fill these out and they can compare themselves to others. They can compare position by position what they give compared to other non-profits. They can see what positions might be below average in pay and they’ll try to find a way to allocate dollars to that position to make it more competitive with others. An example would be seeing what Chief Program Officers are making at Heartland Family Service compared to other non-profits. They have a way to know whether the salaries are competitive or not, they just don’t always have the dollars and resources to make them competitive. They know when there’s an issue, it’s just that the budget won’t allow for them to include extra dollars toward certain positions some years.

Heartland Family Service receives some private foundation grants that help provide funding to the organization when it comes to salaries (see Appendix E for a question about funding). These grants give them a little bit of money that's specifically targeted to therapists' salaries. Therapists are critically important to Heartland Family Service so their salaries are also critically important.

Heartland Family Service does experience higher than average turnover in some positions due to salaries (see Appendix F for a question about turnover due to salaries). Their entry-level positions experience higher than average turnover due to salaries. These employees have direct contact with clients. There’s so much turnover because these jobs are low paying contracts from governmental sources. The people they work with have very complex needs and they’re very low income so the work can be very challenging. It’s hard to deal with this sometimes when there may be bigger salaries out there. This makes retaining people difficult; the work is challenging with a better salary maybe somewhere else.

Heartland Family Service does it's best to increase salaries and retain staff (see Appendix G for a question about difficulties in increasing salaries and retaining staff). As a non-profit, a lot of their reimbursement comes from government contracts and those have low reimbursement. The work at Heartland Family Service can be challenging and there might be a bigger salary somewhere else, most often at companies where creating competitive salaries isn’t difficult because it’s a for-profit organization. It’s hard to do quality work when it’s challenging and you may not think you’re getting compensated enough. They serve the poorest of the poor in the Omaha metro area so these people don’t pay a lot for Heartland Family Service to serve them. Most people who have private insurance are going to a private practice or hospital. Their therapists deal with more complex patients. They deal with all their complex needs not just their behavioral health needs. Other therapists may only deal with their mental health needs and not things like being homeless. A therapist may want to only deal with a client’s mental health needs which means they won’t come work here. You have to be prepared to deal with a lot of client issues as a therapist at Heartland Family Service.

There may be a positive relationship between employee achievement and racial diversity. Including diverse people within your organization is extremely important. Including older generations with racial and ethnic minorities is a crucial way to diversify your workforce. Having a diverse workforce leads to innovation because more ideas and ways to do things are brought to the table. A diverse workforce where people can learn from each other leads to better well-being for employees. Women, racial and ethnic minorities are still underrepresented in leadership positions all over the world. Heartland Family Service creates diversity within their organization by using a Diversity Coordinator. This person within their organization helps to bring in diverse people, which in turn helps employee achievement, helps increase the number of older, racial, and ethnical minorities, helps create innovation, helps create better well-being for employees, and helps increase the number of women, racial and ethnical minorities in leadership positions.

Having a Diversity Coordinator whose sole job is to promote diversity within the organization is a really good idea. If this person is doing their job, there shouldn’t be a major issue with diversity in leadership positions. I know that this company doesn’t have a lot of extra money to create new positions, but I would recommend they create a Diversity Coordinator for each program as well as the one they already have to oversee the entire company’s diversity. This way, the Diversity Coordinator will be directly involved with a specific program and will better know the right person for that program when a position opening comes up, and it’ll be much easier to bring in someone diverse. In my opinion, having a position like this in every program will help the company to diversify even better, and it’ll help them find more diverse leaders for that specific program as well.

There is an imperative need for effective communication in the business world. Improved written communication systems can make employees happier with their jobs, cut down on confusion and paperwork, and bring in more business. Managing emails and avoiding email overload is critical for employees. Heartland Family Service communicates effectively with its employees and tries to help manage their emails by sending out agency newsletters via email. They also answer the need for effective communication by doing all staff meetings and program director meetings. Their program directors effectively communicate with their staff by meeting with them individually.

These three main ways that Heartland Family Service communicates with its employees are all really solid communication systems. I don't think there needs to be anything changed in those areas. They seem to do a really good job of communicating from the top down. Their employees, for the most part, seem to get all the information they need. I would recommend that the company allow any employee to put things on the newsletter they would like as long as it’s approved. This way all employees will have the opportunity to communicate with everyone something that may need to be said. It will also make employees feel empowered because they’ll know they aren’t silenced.

Competitive salaries are a need for some groups of people. Employees want to have satisfaction with their career trajectory and perceived salary competitiveness. Employees are more satisfied with their careers when they have a competitive salary. When an employee thinks they're an integral part of an organization, they are going to expect a constant competitive salary.

Heartland Family Service creates competitive salaries by participating in and observing non-profit salary surveys.

I think using non-profit salary surveys is the best way for this organization to create competitive salaries, so I think they're using these well. This allows them to determine what positions may need a little more compensation, which will help retain employees and bring in new employees. I would recommend that the company intently focus on ways to save money. This way they can allocate more money to positions they need to make salaries more competitive.

Heartland Family Service is a company that struggles in certain areas but finds really good ways to deal with the issues they have. To deal with a lack of diversity in leadership, I think they should get Diversity Coordinators for all of their programs. To have better communication within the company, I think they should allow all employees to put things on the newsletter with approval. To better create competitive salaries as a non-profit, I think they should intently focus on ways to save money so they can allocate those saved funds to positions they need to make salaries more competitive.

References

Angioloni, S., & Ames, G. C. W. (2015). Racial Diversity and School Performance: A School Location Approach. *Review of Regional Studies*, *45*(3), 253–277. Retrieved from <http://search.ebscohost.com/login.aspx?direct=true&db=aph&AN=112238845&site=ehost-live>

Beck, A. J., Leider, J. P., Coronado, F., & Harper, E. (2017). State Health Agency and Local Health Department Workforce: Identifying Top Development Needs. *American Journal of Public Health*, *107*(9), 1418–1424. <https://doi.org/10.2105/AJPH.2017.303875>

Faupel-Badger, J. M., Nelson, D. E., & Izmirlian, G. (2017). Career Satisfaction and Perceived Salary Competitiveness among Individuals Who Completed Postdoctoral Research Training in Cancer Prevention. *PLoS ONE*, *12*(1), 1–13. <https://doi.org/10.1371/journal.pone.0169859>

Grissom, A. R. (2018). Workplace Diversity and Inclusion. *Reference & User Services Quarterly*, *57*(4), 242–247. <https://doi.org/10.5860/rusq.57.4.6700>

Khomami, H., & Rustomfram, N. (2019). Nursing efficiency in patient care: A comparative study in perception of staff nurse and hospital management in a trust hospital. *Journal of Family Medicine & Primary Care*, *8*(5), 1550–1557. <https://doi.org/10.4103/jfmpc.jfmpc_37_19>

Mishra, S. (2015). Effective communication for corporate sector: A need for a paradigm shift. *Indian Journal of Health & Wellbeing*, *6*(7), 749–751. Retrieved from <http://search.ebscohost.com/login.aspx?direct=true&db=aph&AN=109888122&site=ehost-live>

Our Mission. (n.d.). Retrieved from <https://heartlandfamilyservice.org/our-mission/>.

Ozgen, C., Nijkamp, P., & Poot, J. (2017). The elusive effects of workplace diversity on innovation. *Papers in Regional Science*, *96*, S29–S49. <https://doi.org/10.1111/pirs.12176>

Pignata, S., Lushington, K., Sloan, J., & Buchanan, F. (2015). Employees’ perceptions of email communication, volume and management strategies in an Australian university. *Journal of Higher Education Policy & Management*, *37*(2), 159–171. <https://doi.org/10.1080/1360080X.2015.1019121>

Rajput, N., & Talan, A. (2017). Interpersonal trust as the mediator of workplace diversity and well-being of employees. *Indian Journal of Health & Wellbeing*, *8*(7), 668–673. Retrieved from <http://search.ebscohost.com/login.aspx?direct=true&db=aph&AN=125123615&site=ehost-live>

Randsley de Moura, G., Leicht, C., Leite, A. C., Crisp, R. J., & Gocłowska, M. A. (2018). Leadership Diversity: Effects of Counterstereotypical Thinking on the Support for Women Leaders under Uncertainty. *Journal of Social Issues*, *74*(1), 165–183. <https://doi.org/10.1111/josi.12262>

Appendices

The below appendices are the questions I asked Mary O’Neill during our interview:

Appendix A: What is your company’s purpose/mission?

Appendix B: How does Heartland Family Service deal with a lack of diversity in leadership positions?

Appendix C: How does Heartland Family Service communicate effectively with hundreds of employees?

Appendix D: How does Heartland Family Service make competitive salaries as a non-profit?

Appendix E: Are there any outside sources that help provide funding to your organization when it comes to salaries?

Appendix F: Are there positions that have higher than average turnover due to salaries?

Appendix G: What makes it difficult to increase salaries and retain staff?

Permission for Interview

