

The Muttart Foundation:

Helping charities to manage their assets more effectively

Helping charities to better serve

One of the greatest difficulties faced by many charities in Canada is their declining capacity to manage their internal needs and to recruit and retain the best staff. Demand for their services is increasing, but funding for internal operations is difficult to secure. As Edmonton Big Brothers Big Sisters organization director Liz O'Neill describes it, many agencies are unable to stop doing urgent work long enough to address important internal management needs that would help them better respond to the demand. Staff training and learning opportunities, and recruitment and retention practices are neglected areas for many charities across the country, according to studies by the Canadian Centre for Philanthropy (now Imagine Canada) and the Canadian Policy Research Network. The voluntary/non-profit sector employs about 1.2 million workers, generating an annual payroll in excess of \$22 billion. About three-quarters of the 80,000 charities employ fewer than 10 staff. Because of their size and modest budgets they don't devote resources to people management. Thanks to an innovative private foundation, a new model is being successfully developed to tackle this growing problem.

A philanthropic case study: the Muttart Foundation shared services program

The Muttart Foundation of Edmonton, a long-time bene-



Providing funding for high quality charity staff.

factor of charities especially in Western Canada, recognized in 2000 that the management needs of charities were being seriously neglected. The lack of essential services was driving small and medium charities from one administrative crisis to another in salary and benefits administration, performance reviews and recruitment. The Foundation chose to focus on this critical gap. Noting how diversified private sector companies and large public services commonly consolidated their services such as human resources or accounting, the foundation proposed a unique initiative, the Shared Services Support (HR Cluster) program. A pilot application was offered to six agencies in Edmonton in 2002. It was the first time it had been tried in Canada.

The six agencies who formed the Edmonton HR Cluster included Big Brothers Big Sisters, ABC Headstart (early childhood education), a local HIV Network, the Boyle St. Community Service Co-op; KARA Family Support Network and Norwood Child and Family Resource Centre. Although individually small, they collectively employed about 250 full-time and 77 part-time staff. Muttart staff negotiated the formation of the cluster and funded an experienced local HR professional, Eldon Emerson, to counsel the cluster and its individual participants. Emerson advised on solutions to immediate people problems, supported management skills development inside the agencies and found ways to share best practices

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throughout the cluster. As the project evolved, the participating agencies began to move beyond immediate staff problems into examining their structure, their relations with their boards, and their particular focus of services. The benefits were so evident within months that in 2003 Muttart offered the cluster approach to a similar Calgary group. Based on an external evaluator's mid-term assessment, it extended the term of both programs to 2006, a \$180,000-per-year investment.

"I thought we'd end up doing a little bit better on career management and job enhancement," says Liz O'Neill of Edmonton Big Brothers Big Sisters. "I had no realization how profound the benefits of the project would be, (and)...I never thought we'd end up dealing with our bottom-line goal of helping a lot more kids with little more money." Three years after joining the cluster HR program and with a complete

restructuring as a result of its participation, Big Brothers Big Sisters has moved from serving 900 to 2200 children annually. Ultimately, half of the members of the two-city cluster ended up reorganizing their entire service delivery approach.

The Muttart Foundation's success with its Edmonton and Calgary-based shared services HR program has turned the Foundation and its lead implementer, Eldon Emerson, into missionaries for the cluster concept in the voluntary sector. Emerson is examining how to apply the shared services cluster concept to other core functions such as accounting. Even before the social services HR program wound up in mid-2006 Emerson was approached by an Alberta cluster of voluntary agencies asking for shared services development in financial administration. The Muttart Foundation is documenting and sharing the results of its learnings on its web site.

The Muttart Foundation's Shared Services Support cluster

concept is one example of what private foundations can do to identify and tackle a problem within the voluntary sector. "If I'd tried to sell this initiative to government for funding, it would have been a very tough sell," says Emerson, formerly HR vice-president of a major health-care provider. "Donors to this sector have a real aversion to funding anything except programs.... And yet it (cluster-shared human resources services) is so slam-dunk clear when you explain it. Others say 'why didn't anybody previously do it?'"

"Private foundations are able to have a sense of perspective, to think things through to solutions...without political imperatives interfering," agrees Christopher Smith, acting executive director of the Muttart Foundation. He's delighted that front-line workers such as Liz O'Neill describe Muttart as "one of those pivotal, mind-shifting agencies in this community."