

## **Salaried Staffs and Volunteers at NPOs - Their Working styles and Attitudes**

### **Summary**

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#### **Research Period**

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#### **Background and Objective of the Research**

Following the implementation of the Law to Promote Specified Nonprofit Activities (hereafter referred to as the "NPO Law") in 1998, the number of specified nonprofit corporation (hereafter referred to as the "incorporated NPOs") has increased exponentially every year, reaching more than 25,000 in December 2005.<sup>1</sup> The number of salaried staffs at incorporated NPOs is estimated at approximately 100,000.<sup>2</sup> Since the number of NPOs is growing, we believe that more people will choose NPOs as place for "work". And when we consider NPOs from such aspect, it is essential to know the real picture of NPOs as a workplace, particularly how it differs from those in companies and the consciousness of people who are engaged in such activities. However, very little research has been done on individuals at NPOs, and thus the reality of NPOs is not very clear. Therefore, for our research, we included both the salaried staffs

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<sup>1</sup> See Cabinet Office's NPO website (<http://www.npo-homepage.go.jp>) for details.

<sup>2</sup> Data taken from "Survey Report of Incorporated NPOs 2004" by Research Institute of Economy, Trade and Industry. The figure is the total of an estimated number of salaried regular staffs (46,652) and salaried non-regular staffs (57,509).

(employees) and volunteers as those whose activities fall into the broader category of “work”. Objective of the report is to investigate the attitudes and diverse working styles of those who are engaged in activities at NPOs and to learn how they differ from those of company workers

This research is also the first step in clarifying what “work” signifies within the NPO context. Figure 1 is a simplified diagram that shows the range of “work” at NPOs. The left circle indicates the set of volunteers while the right circle shows paid workers. What is unique with “work” at NPOs is that volunteers and paid workers overlap as shown in the circles below, indicating intermediate-area activities such as “paid volunteers”.

**Figure 1. The Range of “Work” at an NPO**

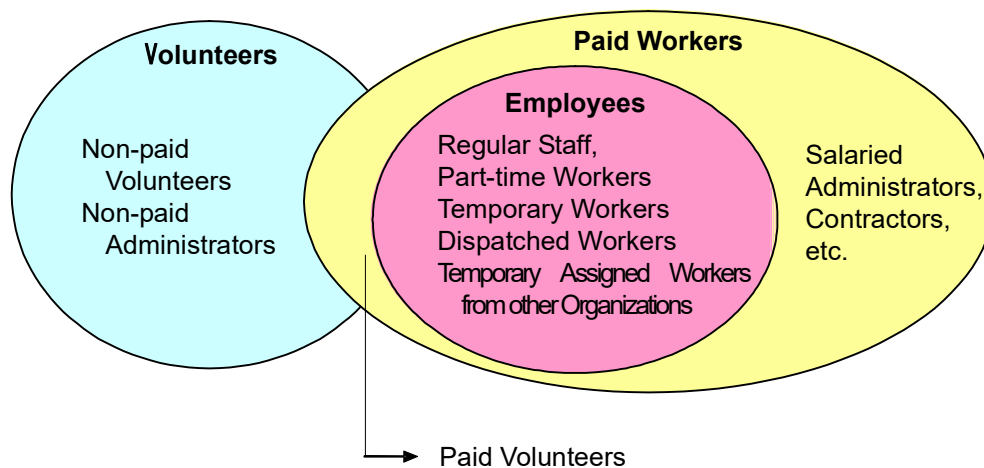
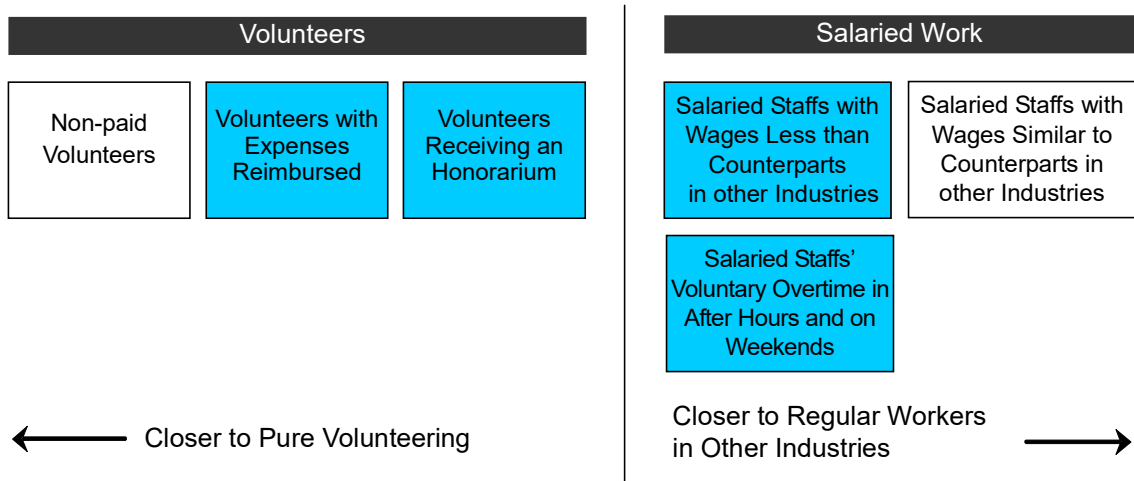


Figure 2 shows a detailed classification of the activities in the overlapping area in Figure 1 (intermediate-area). The figure indicates that there are diverse types of activities (shaded area in the figure) in between non-paid (pure) volunteers at the furthest left and salaried staffs on the furthest right. The wages (or rewards) of these workers are much less than those of workers in other industries. We included volunteering as “work” in our analysis because NPO volunteer activities are intertwined with paid activities. Our aim was to clarify the actual picture of NPO workers by using questionnaire survey that focuses primarily on the following: 1) working styles (job descriptions, conditions of work/activity, etc.); 2) attitudes (motivation, satisfaction level, etc.); and 3) individual attributes (gender, household income, jobs other than at NPO). Through detailed analysis, we examined how we can position the “work” of NPOs and

NPO volunteers, and how the policy for salaried staffs and volunteers, who will be the mainstay of NPOs in future, should be formed.

**Figure 2. Intermediate-Area Overlapping “Salaried Work” and “Volunteering”**



Reference: “Diversifying Working Styles and Social Labor Policy— Focusing on Outsourcing to Independent Contractors and NPO Works.” *The JILPT Research Report No. 12*, Japan Institute for Labour Policy and Training, 2004, figure in p.18 revised by the author.

**Outline of the Survey**

We conducted the survey (“Survey on NPO Activities and Work”) on individual salaried staffs and volunteers at 1,011 NPOs which responded to the “Survey on Vocational Development and Employment Creation by Incorporated NPOs” in January 2004 and the “Survey on Corporate Partnership and Paid Volunteers Utilization” in September 2004, both conducted by the JILPT.<sup>3</sup>

The number of questionnaire sheets for each NPO was based on the number of staffs identified by the “Survey on Vocational Development and Employment Creation by Incorporated NPOs”. The minimum number distributed was 2 (1 for the staff, 1 for the secretary-general), while the maximum was 21 (20 for the staffs, 1 for the secretary-general).<sup>4</sup>

<sup>3</sup> The target for the “Survey on NPO Activities and Work” was all 14,003 incorporated NPOs (as of December 31, 2003) in Japan; the number of responses was 3,501 (response rate: 26.0 percent), with 3,495 valid responses. The “Survey on Corporate Partnership and Paid Volunteers Utilization” was conducted as a follow-up study for the 3,495 valid responses in the above research; the number of responses was 1,012 (response rate: 29.0 percent), with 1,011 valid responses.

<sup>4</sup> Regarding the distribution targets, we included a note requesting the questionnaire sheets to be distributed to salaried staffs and non-salaried staffs (those who had been working regularly for more than 6 months). We did not specify any other selection methods.

One of the characteristics of this survey data is that, we can analyze individual data with reference to organizational attributes by matching the previous organization survey and the current individual survey data, which enables us to analyze the influences of organizational attributes on individuals by looking at changes in individual working styles and consciousness.

[Name of Survey]	Survey on NPO Activities and Works
[Survey Period]	July 27, 2005 - August 15, 2005 (due date for returning the questionnaires was the end of August; reminders were sent)
[Survey Method]	Mailed to NPOs with the request to distribute the questionnaires to their staff members. The questionnaires were returned by the individual staff members.
[Number of Questionnaires Sent]	12,575 (general staff: 11,564, secretary-general: 1,011)
[Number of Returned Surveys]	2,224 (general staff: 1,736, secretary-general: 488)
[Response Rate]	17.7 percent (general staff: 15.0 percent, secretary-general: 48.2 percent)
[Number of Effective Responses]	2,200 (general staff: 1,717, secretary-general: 483)
[Effective Response Rate]	17.4 percent (general staff: 14.8 percent, secretary-general: 47.8 percent)

### **Outline of the Report**

The report consists of four different parts: “Survey Results”, “Survey Analysis”, “Perspective of an NPO” and “Appendix”. The “Survey Results” corresponds to Chapter 2, in which we examined the working styles and attitudes of both salaried staffs and volunteers using simple and cross tabulation based on the data from the “Survey on NPO Activities and Work”. The “Survey Analysis” is described in Chapters 3-5, in which we probed into each topic thoroughly based on the survey. Chapter 3 analyzed wages of salaried staffs by estimating wage function and how wage standards and determination methods affect length of work periods and level of worker satisfaction. Chapter 4 focused on paid volunteers, analyzing their working styles and attitudes, and how rewards function as an incentive for their activities. Chapter 5 looks at staff networks, particularly staffs with what kinds of route of participation to NPO activities tend to become main players; we also analyze their satisfaction level and

attitudes. Chapter 6 is a discussion from the perspective of an NPO, where the author discusses the results of the survey and analysis based on the actual NPO situation and his long-time experience working at NPOs. Last, the Appendix includes the questionnaire, the basic cross table, and typical responses for the open-ended questions in the survey.

A summary outline of each chapter is listed below.

### **1. Attributes of Individuals, Working Styles, and Attitudes of Workers at Incorporated NPOs – Survey on NPO Activities and Work (Chapter 2)**

Chapter 2 presents overall results of the survey. We discuss primarily individual attributes, working styles and wages.

#### **Individual Attributes**

- a) A high ratio of secretary-generals is male, while a high ratio of salaried staffs and paid volunteers are female.
- b) Average age of secretary-generals and volunteers are higher (primarily senior and middle-aged) compared to general salaried staffs (primarily middle-aged and young.)
- c) A high ratio of secretary-generals and non-paid volunteers is BA and/or MA holders. A high ratio of salaried staffs and paid volunteers is middle school and/or high school graduates.
- d) On average, household incomes of non-paid volunteers and secretary-generals are higher than those of salaried staffs and paid volunteers.

#### **Working styles**

- a) A high ratio of salaried secretary-generals and staffs and paid volunteers is in fields related to “health, medical and welfare”. A high ratio of non-salaried secretary-generals and non-paid volunteers is working for NPOs in “other” fields.
- b) Rate of regular staffs covered by employment insurance is just shy of 80 percent; that of non-regular staffs is less than 30 percent. Volunteers must apply for optional volunteer insurance; the rate of coverage is about 30 percent.
- c) Secretary-generals have the most years of working experience at NPOs, followed by non-salaried head office volunteers. Length of service of salaried staffs is short, indicating that the labor force is fluid.
- d) The number of qualified workers is high among salaried staffs. Welfare-related NPOs and NPOs with large financial capabilities have a high ratio of qualified

staffs.

- e) A high ratio of secretary-generals and non-salaried head office volunteers who form the operating core of NPOs have work experience in “management and administration” jobs. Regular staffs tend to have specialized work experiences, such as in the fields of medical and welfare, and they bring that experience to the NPO. A high ratio of non-regular staffs have experience in clerical jobs.

### **Salaries**

- a) Average annual salaries of full-time NPO staffs are: secretary-generals, ¥2,963,000; regular staffs, ¥2,230,000; non-regular staffs, ¥1,402,000. These figures are considerably lower than the general labor market.
- b) The income gap at NPOs among different age groups or between genders is small. This is probably due to the unique characteristics of equality at NPOs, or a consequence arising from their financial difficulties.
- c) Regular staffs’ salaries are mostly determined by job description, while non-regular staffs’ salaries are largely determined uniformly by hourly rates. A high ratio of NPOs lack a clear wage system, and many agree that this is one area that needs drastic improvement.
- d) Salary increases were observed in just over 30 percent of regular staffs. The average differences between the highest and the lowest of individuals’ salaries were, ¥1,414,000 among secretary-generals, and ¥803,000 among general staffs.
- e) Non-regular salaried staffs showed a higher level of satisfaction on compensation than regular salaried staffs.

## **2. Organizational Factor, Working Conditions and Intent to Continue Work– Analysis of Salaried Staff Wages (Chapter 3)**

Chapter 3 particularly focuses on salaried staffs’ wages by seeking to identify the factors influencing the wage determination, and also by conducting empirical analysis on the influences of wage over six items including intent to continue work and level of job satisfaction. Following are the summaries of our analyses on “wage function of NPO workers” and on “whether the wage is an influential factor for NPO workers on the intent to continue work and the level of satisfaction”.

### **Wage Function of NPO Worker’s**

We estimated the wage function for salaried staffs, with “current income from NPO” as an explained variable and with four different specifications. Among four estimates,

variables that mostly showed statistically significant positive results were: “working hours per week”, “regular staff dummy”, “wage system dummy”, and “field of activity dummy”. This indicates that regular staffs, in health-, medical- or welfare-related NPOs, which have mature wage systems similar to companies or other for-profit organizations, and working long hours tend to receive higher wages. This result matches to our perception, as it is easily conceivable that they are receiving proper compensation for home-helper services and other services they provide.

On the other hand, major determination variables of normal wage function such as “gender dummy” and “age” hardly showed any significant results, and the “higher education dummy” even showed significant negative results. Also, “Non-NPO work experience” and the length of service in that work, to which they were probably engaged in parallel with NPO activity, and “the number of years of work experience as a salaried staff at other NPOs” did not influence “current income from the NPO.” The “length of service for the current NPO”, however, did show a positive influence, and “total household income” and the “number of years of the NPO in service” showed similar results.

The above results indicate that those who receive good salaries are, regular staffs who work at health-, medical- or welfare-related NPOs having a strong foundation as organizations with a robust wage system, engaged in nursing care and other such services for a many number of years.. The wage function of workers at NPOs is slightly different in nature from more general wage function. It seems that “in what types of NPOs individuals work” and “in what kind of working styles and how much they work” are greater factors in determining wages, more than attributes of individuals such as gender, academic background or work experience.

### **Is wage an influential factor for NPO workers’ intent to continue work and their job satisfaction level?**

We examined the determining factors of NPO workers’ intent to continue work and their job satisfaction level, as these are the most important issues in presenting policy implications. We used the following four variables as explained variables: “prospect of change in work dummy”, “affirmation of current status dummy”, “evaluation of current NPO work” and “NPO work satisfaction level dummy”.

For the estimates within salaried staffs, the “working style accordance dummy” (current working style is ideal = 1) showed significant positive results overall. The “general compensation satisfaction dummy” and “wage determination method satisfaction dummy” also showed significantly positive results. This means that the

intent to continue work and job satisfaction level at NPOs are influenced by how one is treated by the NPO and whether the worker is satisfied with that treatment.

### **Discussion**

For NPO workers, the important factors that determine working conditions, particularly wage, are to work continuously as a regular staff at a welfare-related NPO with an established wage and evaluation system. Otherwise, their working conditions would not be as preferable, regardless of gender, education, or work experience. This means that if an NPO does not satisfy such conditions as described above, then being a regular staff with long hours and long years of service may have negative consequences, and hence adversely affect treatment satisfaction, job satisfaction and their prospects for the future. However, individuals could make positive changes by shifting their working styles through improving their own knowledge and capabilities, although it still requires the condition changes at NPOs. There are some rooms for NPO workers as individuals to take action on their own.

Our analysis results clearly indicate that NPO workers do not necessarily continue to work by volunteerism and altruism alone, and the motivation of NPO workers to provide service is not particularly unique in this sense. Therefore, for NPOs to develop further, particularly when their activities are not easy to gain compensation, it is necessary for them to consider avoiding the bottleneck which hinders the participation of useful workers and continuation of work. For this, NPOs should build a solid financial foundation so that wages are not negatively affected, provide wages that secure fairness, transparency, and understanding, and assure working styles that workers desire.

### **3. Working styles and Attitudes of Paid Volunteers; Do Rewards Affect Continuation of Work? (Chapter 4)**

In Chapter 4, we analyzed the work styles and attitudes of paid volunteers and discussed their characteristics."

#### **Attributes of Paid Volunteers**

The attributes of paid volunteers show a high ratio of older people and junior and senior high school graduates. Their household income is approximately ¥5 million and tends to be lower than other groups. There are many full-time housewives and unemployed, which probably means that the main groups engaged in paid volunteering are retired males and full-time housewives.



The number of paid volunteer hours is about 40 hours per month, which is twice as much as non-paid and other volunteers, and half of the non-regular staffs.

Approximately 60 percent of the paid volunteers receive rewards. The annual median is ¥120,000 and hourly median is ¥650.

Duties of paid volunteers are mainly on-site services such as “*tasukeai katsudō*” (mutual aid activities) and tend to be routine and supplementary work, which can be categorized somewhere between non-regular staffs and non-paid and other types of volunteers.

### **Attitudes of Paid Volunteers**

Motivation of paid volunteers is similar to that of non-paid volunteers. Classifying their motivation into four categories showed that the paid volunteers have strong altruistic motivation and weak selfish motivation. If the job description is the same as that of salaried staffs, however, the selfish motivation tends to be stronger. If one measures volunteerism by the scale of altruistic and selfish motivation, volunteerism of paid volunteers falls between that of salaried staffs and non-paid volunteers.

Do paid-volunteers in NPOs identify themselves as "workers"? We analyzed what type of attributes and attitudes tend to result in their identity as “workers” by using “worker consciousness” as an explained variable in ordered probit analysis.

As for individual attributes, younger, junior high or high school graduates with a good income from a current NPO tend to have stronger consciousness as a worker. It is natural that regular staffs and non-regular staffs identify themselves as part of the worker, but paid volunteers tend to do so as well.

### **Do Rewards Affect the Continuation of Activities?**

We analyzed if the payment of rewards affect paid volunteers’ motivation to continue their activities. We chose “years of activity” and “activity continuation index (years of activity divided by age)” as two explained variables and conducted estimations by ordinary least squares.

Regarding individual attributes, “annual household income” and “reward per hour” showed significantly positive results. This indicates that the higher the household income and hourly reward, the longer the years of activity become. In other words, one can say that “payment” of rewards to paid volunteers is an incentive for them to continue to work.

To summarize factors of work continuation of the paid volunteers, those who continue to work tend to work for NPOs with stronger financial base and they receive

high hourly rewards and high household income. “Altruistic,” “selfish” and monetary motivations share only a small part of their initial motivation. They recognize themselves as active individuals and they enjoy good relationships with others in the NPO; they also find their work challenging and rewarding.

### **Discussion**

Paid volunteers have become indispensable to NPOs that support our aging society and provide community services. Our analysis indicates the possibility that payment is an incentive for continuing work for paid volunteers, but that payment of simple rewards may not be enough to retain their service. Attitudes of paid volunteers’ are close to those of non-paid volunteers, and therefore, NPOs should consider how they can provide volunteers with opportunities to perform well and to give them activities that are challenging and rewarding.

The biggest challenge for the future is how we can protect volunteers as a socially useful workforce, whether it is paid or non-paid based. Currently, optional insurance provides the only safety net should an accident occur so we should consider developing legal protections for volunteers.

## **4. Initial Worker Contact with an NPO (Chapter 5)**

Chapter 5 discusses how workers’ initial contact with an NPO affects their involvement in future NPO activities and organizations. A high ratio of workers cited “through acquaintances” as a reason they began working for an NPO. We examined the differences of their relations to the organizations and satisfaction level according to how they initiated their service, either through other people or through classified advertising.

### **Differences in Attributes and Attitudes**

Regarding the differences according to styles of activities, a high ratio of salaried staffs, such as regular staffs and non-regular staffs, responded to a classified ad (about 10 percent of the regular and non-regular staffs found their job through a Public Employment Security Office). Also among salaried staffs, the ratio of those who responded to public recruiting was high among younger generation.

Next, we compared the referral and classified ad groups regarding motivation on and advantages/disadvantages from the activity, the degree of involvement in the organization, contents of the activity, the satisfaction level and their will to continue their activity. For motivation on activities and their advantages, the referral group

showed a strong sense of social service, such as helping others, while the classified ad group showed strong personal factors, such as income. These differences were quite evident among the salaried staffs, but were not observed among volunteers.

### **Involvement in the Organization**

When we looked at the degree of involvement in their organization, the referral group had a higher ratio of those responding “very much involved” or “involved”. As for specific job descriptions, the referral group had a higher ratio of those responding “organization’s activities plan, administration and management.” The classified ad group showed a higher ratio of those responding “specialized work, such as welfare, education, IT, and medical”, but the difference was not so obvious.

Next, we looked at the referral sample only and examined their level of involvement in their organization depending on how they were referred. American researchers studying career change argue that the “weak ties” leads to a positive career change; however, it has been shown that in Japan, strong ties bring preferable results.

In addition, when we looked at the number of common acquaintances with the referred person, the more the acquaintances there were, the higher the ratio of those responding “very much involved” or “involved” became. This is “bonding” as described in social capital framework, indicating that people with stronger involvement in an organization participate through a closed network.

### **Discussion**

Recruitment of NPO staffs depends largely on personal connections. This is partly because of the characteristics of an NPO as an organization, and partly due to more practical reasons. Since NPOs stress the sharing of a common value, such as philosophy for certain activities, they often try to find appropriate people by themselves, or ask someone reliable to look for them. Due to the financial weakness of NPOs, it is hard for them to find people on their own who will accept difficult labor conditions, thus they tend to resort to asking acquaintances to join or to help finding people.

Since recruiting solely by personal connections is limited when we consider the ever-expanding NPO labor market, other means are starting to emerge, but they have not yet become established as a major method. The number of potential workers who are waiting to be called is thought to be high, thus, from the point of policy as well, it is necessary to determine how to effectively disseminate information and to bring potential workers and NPOs together.

## **5. Working and Volunteering at an NPO -- Insights from the Workplace (Chapter 6)**

Chapter 6 discusses insights from the workplace on work and volunteering at an NPO with regard to the survey. Changes in the NPO working population can be summarized in three ways. The first change is the large flux of workers to NPOs. Many people do not fully understand the concept of an NPO or of “citizen’s public interest,” since the citizen sector is not fully established in Japan. New participants in an NPO tend to be influenced by the customs of existing social groups, such as companies.

The second change is the discrepancy between an NPO’s mission and their actual work conditions. Although NPOs play a role in tackling diverse challenges in Japan, its financial situation is unstable and labor conditions are poor. This situation makes it difficult to move talented workers from the regular labor market to NPOs because of the following three reasons. First, incorporated NPOs have no substantial tax exemption system for donations (even though there is a system). Second, the government does not view incorporated NPOs as their partner. Although outsourcing and “Designated Manager System” is promoted, the reality is that they are merely outsourcing to entities with cheap workforce. Third, volunteers could be a factor in the lowering of wages for salaried staffs. The low wages at incorporated NPOs is primarily due to their financial difficulties, but we believe that the existence of paid volunteers is also a factor that is lowering the wage level of salaried staffs.

The third change is the differentiation between salaried workers and volunteers. Salaried workers and volunteers operate the current NPO. The priority of salaried workers is to maintain and sustain an incorporated NPO as a business, more than they are concerned with NPO’s social significance. Volunteers view their responsibility as the assumption of on-site services for a short period only while the salaried staffs has the initiative of operating the incorporated NPO. This leads to differentiation between salaried workers and volunteers, and to their efforts in renewing outsourced business from the government, rather than developing their original business as an NPO.

### **Examples from an NPO Workplace**

What is actually happening at workplaces of incorporated NPOs now? Opportunities for NPOs to develop their business under the same conditions as companies is expanding, such as care insurance business which is a governmental involvement business, Designated Manager System and governmental outsourcing business. Under such competition, incorporated NPOs tend to focus on profit-earning business, rather than their original business. When entering business, many incorporated

NPOs focused on the care insurance business, which earns a profit. Five years later, there are still some NPOs which focus 90 percent of their activity on profit-earning business, and only 10 percent on their original business. There are few incorporated NPOs that only operate as a care insurance business without any volunteer activities. This will question the significance of incorporated NPOs, since they are no different from other corporations or private limited companies.

The discrepancy between the mission and labor condition is displayed as incorporated NPO workers' burn-out, and discouragement of workers who aspired to work in incorporated NPOs, and the separation and independence of the commercial part of incorporated NPO. The work hours of the primary members of an incorporated NPO are exceptionally long, and their responsibilities are great. Many work 1.5 to 2 times more than regular workers in other companies, both in quantity and quality. This results in burn-out. Some quit due to lack of wage increases in spite of their great effort, even though they began their service with full of hopes for the NPO. This happens because when specific nonprofit organizations turn a profit, they tend to utilize it for their core business, not for the improvement of the salaried staffs's labor conditions, namely their wages.

## **Discussion**

Incorporated NPOs have created not only volunteer activities but also actual jobs that earn wages. This has raised a significant issue on working styles in the Japanese society. The traditional concept of labor may change drastically due to the appearance of incorporated NPOs. A new way of working, "socially-useful labor," apparently has been born which cannot be easily classified either as wage labor or volunteering in this newly forming citizen sector.

When we look back, wage labor has only been around for a few hundred years. For a few million years before then, there was a labor style to produce to live and to maintain local communities that was a mixture of culture, festivals, and play. We believe that was the broad concept of "socially-useful labor," not wage labor.

Although our modern society will not regress to those days, a new working style may be emerging for which one does not seek for compensation (or its value is low) and is important for social maintenance and development, while keeping wage labor as the basic way of labor. There may be a time in the future when socially-useful labor will become esteemed as one of the working styles with the formation of the citizen sector in the Japanese society.

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