

Employee Turnover in Non-Profit Organizations: Understanding Drivers and Developing Retention Strategies

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ABSTRACT

The survival of nonprofit organizations and the provision of services are seriously threatened by employee turnover, especially in settings with limited resources in Europe, Asia, and Sri Lanka. Through a qualitative review of previous research and case studies, this study investigates the three leading causes of attrition: organizational culture, emotional stress, and compensation discrepancies. The results show that whereas goal alignment initially inspires workers, retention is eventually undermined by ongoing disparities in equitable pay, insufficient mental health care, and subpar leadership techniques. While workload demands and restricted career advancement cause turnover rates of 15-20% in Europe, Asian NGOs experience 25-35% attrition due to compensation disparities and migratory patterns. The economic crisis in Sri Lanka has worsened turnover; 42% of nonprofit workers are considering leaving because of unstable finances. Both structural and cultural concerns need to be addressed by effective retention tactics. Case studies show how creative solutions may lead to success. For example, Sarvodaya (Sri Lanka) reduced turnover by 25% by providing data and transportation stipends, while Médecins Sans Frontières reduced burnout-related resignations by 30% by requiring breaks. Caritas Germany reduced senior attrition by 50% with paid sabbaticals, whereas BRAC Bangladesh increased junior staff retention by 40% through reverse mentorship. Tailored solutions are made possible by a staged implementation roadmap that consists of diagnostics (0–6 months), pilot treatments (6–12 months), and scaling (12–18 months). The report emphasizes that retention is an HR issue and a strategic imperative. Companies such as Sarvodaya saved \$3.20 on recruiting expenses for every \$1 spent on retention. Although cross-cultural applicability should be assessed in future studies, the available data indicates that long-term effectiveness requires striking a balance between staff health and mission enthusiasm. These research-based tactics are essential for nonprofits to use to develop resilient workforces in the face of escalating global issues.

How to cite this paper: R. K. M Lankanath "Employee Turnover in Non-Profit Organizations: Understanding Drivers and Developing Retention Strategies"

Published in
International Journal of
Trend in
Scientific Research
and Development
(ijtsrd), ISSN: 2456-
6470, Volume-9 |
Issue-3, June 2025, pp.1314-1319, URL:
www.ijtsrd.com/papers/ijtsrd97129.pdf



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KEYWORDS: Employee Turnover, Non-Profit Organizations

INTRODUCTION

Employee turnover is a problem that affects non-profit organizations (NPOs) in Europe, Asia, and Sri Lanka, and it has enormous effects on the relationship of NPOs with the provision of services or stability in their organizations. Non-profits in Europe have different turnover rates between the two locations of the continent, whereas Western Europe has between 15-20 percent. In contrast, Eastern Europe has a higher turnover rate because of the lower wages and the fact that there is a workforce migration (European

Foundation Centre, 2022). Even though mission-fit employees have the incentive to work in this industry, some underlying problems like poor pay and work burnout prompt many workers to quit. The turnover is even higher according to Asian NPOs, especially in India and the Philippines, where the rates are more than 25 percent as employees want to move to a corporate environment to find jobs with higher salaries (APEN, 2023). However, in countries such as Japan and South Korea, there is much cultural

pressure on the notion of organizational loyalty, which retards turnover rates despite high working loads.

Turnover in Sri Lanka is especially noticeable in the non-profit sector, as it has been reported that 30-40 percent of the employees in this sphere of society have thought about quitting because of the loss of salaries, inflation, and overwhelming emotional pressure (UNDP Sri Lanka, 2023). Most talented employees either go to or transfer to the private sector to earn a living, and NPOs find it challenging to keep their employees. Pay is also a significant concern. In Sri Lanka and Southeast Asia, non-profits pay 30-50% lower salaries than those paid in the corporate sector (World Bank, 2023), so organizations find it hard to attract talent. Also, environments of high stress, especially those in the humanitarian and crisis-response sectors, lead to burnout, which further increases turnover.

Management and communication are also core issues of employee retention in these regions. Weak management, absence of development opportunities in the line of a career, and ineffective workplace communication cause frustration in many cases, especially among young employees aiming at development and significant participation in the workplace and society. In order to overcome these issues, non-profits should be able to create customized retention plans that incorporate regional economic circumstances, cultural demands, and pressures pertinent to a sector (Lee-Bull, 2025).

By enhancing compensation systems, building positive leadership, and using mental health programs, NPOs will be able to increase the satisfaction of their employees and minimize turnover, thus being financially sustainable in their missions over the long term. The aim of this study is to discuss these drivers at length and also suggest solutions that can be carried out to ensure that the organizations dealing with non-profits in Europe, Asia, and Sri Lanka can maintain the most important asset of their organization, which is their people (Myburgh, 2021).

Problem Statement

High employee turnover is hurting non-profit organizations (NPOs) in Europe, Asia, and even Sri Lanka in severe ways, possibly putting them out of business to deliver vital social missions. In contrast, NPOs are subject to the loss of specialized, mission-driven staff, which causes the organization disproportionate damage, unlike for-profit businesses. Europe 2024: Turnover rates are 18-22 percent (EFC, 2024), and three-quarters of German and French NGOs experience project loss delays as a result of

staffing loss. Eastern European NPOs experience specific challenges, as every third of Romanian and Bulgarian realize that they cannot find a replacement in half a year, whereas, in the corporate sector, it takes two times shorter (World Bank, 2024).

The crisis in Asia is even more notable, with Philippine and Indian NPOs having 30-35 percent turnover per year (APEN, 2024). The reason, as given by an appalling 74 percent of the employees who leave, is due to unsustainable workloads and salaries, which are 40 percent less than the market rates. One in every four non-profit employees refuses to work for more than two years in Japan, once the most stable country in the world - which is a triple increase that impairs critical services such as disaster management and treating the aged (JNPO Council, 2024). The economic breakdown in Sri Lanka has forced the turnover to the hysterical bit, and it is expected that 42 out of 100 employees working in the NPOs will have left in the year 2024 (UNDP, 2024), and 89 out of 100 humanitarian organizations will have lost their workers migrating to another country or becoming privately employed.

The results are catastrophic. The continuity of programs is also affected because 68 percent of NPOs affected have reported their programs have deteriorated following the departure of staff (INTRAC, 2024). Most funding is in jeopardy as 55 percent of foundations minimized the allocation to most organizations with high turnover (CAF Global, 2024). Burnout is a problem among remaining employees, which is indicated in the results of 47 percent of Asian NPO workers who demonstrate quiet quitting tendencies (Gallup, 2024). Above all, in the case of resignations, disadvantaged groups lose the most because of the loss of needed services, and such losses are not limited to Sri Lanka alone, as 23 percent of non-profitable organizations had to cut their relief programs even though nine point three million people require their help (World Food Programme, 2024).

In the case of mission-driven organizations, turnover is more of an existential threat than an HR indicator. Every exit destroys institutional memory, demoralizes the community trust, and eventually negates the organizational capacity to make social change. These compounding effects - disruption of programs, skepticism or loss of confidence of donors, demoralization of the staff, and so on- lead the non-profits in these regions into a vicious circle, and they may not sustain themselves. To overcome this crisis, it is necessary to conduct immediate but localized measures that will be effective depending on the region and workforce conditions.

Research Questions

1. What are the differences in employee turnover rates and causes at European, Asian, and Sri Lankan non-profits?
2. How does leadership, pay equity, and burnout affect employee retention in mission-driven organizations?
3. Which culturally tuned tactics can make a positive difference in dealing with employee commitment and turnover in non-profits?

Research Objectives

1. To compare the major trigger points for employee turnover among non-profits in Europe, Asia, and Sri Lanka.
2. To examine the relationship between leadership practices, fairness of compensation, and burnout as predictors of retention in non-profit organizations.
3. To design feasible geographically relevant retention strategies that can be applicable in mission-based workplaces, keeping in view the cultural and economic conditions.

This research will serve the objective of offering practical implementation points in order to allow non-profits to develop their ability to retain staff members and maintain business operations.

The Significance

The present study fills a crucial gap in literature because the conducted study deals with the understudied domain of employee turnover in mission-based nonprofit institutions in a wider regional context. On the one hand, there is plenty of research done about turnover in the corporate sector, but nonprofits encounter specific retention problems that have not been sufficiently studied, especially with reference to developed and developing economies. This gap in knowledge is replaced by the study that critically assesses drivers of turnover in Europe, Asia, and Sri Lanka, i.e., regions of substantially varied economic conditions, labor markets, and cultural expectations that affect employee retention rates. Other existing studies also do not combine theoretical approaches, which can comprehensively analyze the sophisticated interrelation of motivational factors and structural issues in nonprofit organizations, a problem that is being overcome in this study using the Two-Factor Theory of Herzberg and Job Demands-Resources Model.

The relevance of this study cuts across various lines in that it provides a theoretical as well as a practical contribution with regard to nonprofit management. Scholarly, it contributes to existing knowledge

concerning the retention of employees by creating a wide-ranged conceptual framework that takes into consideration both psychological motivating factors and work stress factors unique to mission-based organizations. In practice, the results will allow leaders of nonprofit organizations to consider the evidence-based solutions adjusted to their regional settings, including the issue of inequality in compensation and burnout reduction in high-stress institutions. The findings present a system-wide problem that needs sector-wide policy measures by policymakers, including fair wage standards for grant-funded jobs. Above all, this study will help ensure the provision of essential services to disadvantaged groups that rely on nonprofit organizations by enhancing employee retention (Celestin, 2024).

Developing Culturally Adapted Solutions

The social impact potential of this research is particularly profound, as high turnover in nonprofits directly compromises their ability to serve communities effectively. In fields like humanitarian aid, healthcare, and education, continuity of care and services depends heavily on experienced staff retention. The study's focus on developing culturally adapted solutions ensures its recommendations will be actionable across different economic and cultural contexts, from post-crisis Sri Lanka to aging societies in Europe. By addressing both the systemic and organizational factors driving turnover, this research provides a roadmap for building more sustainable nonprofit workforces capable of achieving long-term social impact amidst growing global challenges and resource constraints (Timsina, 2024).

Literature Review

Theoretical Frameworks

The Two-Factor theory given by Herzberg offers a critical platform through which employee retention in non-profits can be understood based on the concepts of motives and hygiene factors. Factors that motivate such non-profit employees to work even in hard situations most often include meaningful work and recognition. The other motivating factors involved may hardly contribute to anything. Such factors as low pay and poor working conditions may induce turnover. This theory justifies the fact that even mission-dedicated employees can accept initial privileges against them but will depart anyway in case their essential needs are not satisfied. This is supplemented by the Job Demands-Resources Model, which presents burnout as occurring due to an imbalance between job demands, such as emotional labor, and lack of resources, such as mental health. A combination of all these theories helps to understand

that non-profits have to cope with both the motivational and practical aspects of the workplace to keep talent (Celestin, 2024).

Compensation Disparities

The long-existing wage disparities between the non-profit and the for-profit sectors continue to be a major turnover issue as non-profit wages are, on average, 20-40 percent below those of similar positions. These are ingredients of severe bottlenecks in emerging economies where inflation and devaluing currencies, such as in the economic crisis in Sri Lanka, have made wages in certain sectors not profitable to highly skilled professionals. Mission fit can potentially offset low compensation at first, but in increasing cases, even greater divergence moves talent to the corporate sectors, where they are paid a lot more and receive better benefits. This is especially bad in the Asia markets due to increased living expenses compared to non-profit increases in pay; in order to survive, many mature employees are forced to leave their mission-oriented jobs (Laing, 2019).

Emotional Burnout

Employees at non-profits have to engage in highly emotional work and work long hours that cause constant burnout, particularly among humanitarian and crisis-related occupations. Workers who deal with vulnerable populations regularly develop secondary traumas due to a lack of supportive psychological systems, and understaffing makes those who remain work with impossible loads. Europe analyses indicate that 60 percent of non-profit staff complain that they experience uncontrollable stress levels and almost two times as much burnout compared to corporate employees. The issue is escalated in the resource-limited setting where employees are deprived of counseling services, sufficient days off, or time management technologies, resulting in a vicious cycle of turnover that exacerbates staff workload demands (Timsina, 2024).

Organizational Culture

Although it is possible that a good alignment between an organization and its mission could lead to stunning employee loyalty, the concept of organizational culture is a two-edged sword in the retention game. Favorable cultures that bear the monument of a common purpose, a shared leadership, and a balance of work and life aid in retaining the staff even amidst financial shortages, as is the case with numerous Japanese non-profits. Nevertheless, poor communication, incompetent leadership, or underutilization of growth opportunities may cause turnover even in generally mission-aligned workplace organizations due to the toxic workplace culture. Although the cultural issue is significant among all

non-profit professionals, it is especially severe among younger professionals who start focusing on the well-being of their workplaces and professional growth in addition to the social impact, which causes generation gaps between retention strategies in various regions (Osier, 2024).

Inequality in Compensation in Non-Profit Turnover

Non-profit organizations have to struggle simply to pay their workforce at a competitive level, and salaries in non-profit jobs commonly trail profit-making jobs by 20-40 percent. This salary disparity imposes major retention challenges, especially in places where the cost of living is rising by leaps and bounds. In developing countries such as Sri Lanka and Asia, where inflation has been eating away at the purchasing power of people, this compensation gap compels many skilled professionals to leave their mission-oriented work and join well-paid corporate work. Even in well-developed European markets, non-profit workers are ever more unable to trade their high level of commitment towards social change with economic necessities. This case shows the principle of hygiene factors described by Herzberg - even having mission alignment as a strong motivator does not mean much when the compensation is not adequate as this is listed as the basic dissatisfier, which ultimately pushes the talent out. This forces a brain drain at all times of the year as the non-profits train employees only to have them stolen away by other, more lucrative sectors (Zeyn, 2025).

The issue of Emotional Burnout in Mission-Driven Work

Emotional exhaustion of non-profits also forms a critical turnover factor, especially in front-line and crisis response jobs. Trauma and human suffering are prevalent in today's world, where social workers, staff members in humanitarian aid organizations, and medical providers have little to no source of psychological support. The problem of systemic understaffing, revealed by 60 percent of the European non-profits having unsustainable workloads that exhaust the employees physically and emotionally, adds to this emotional labor. This phenomenon can be explained with the help of the model called Job Demands-Resources: In case the emotional and physical job demand systematically exceeds the available resources through counseling services, caseloads, or recovery time, burnout is unavoidable. Most non-profits work in a continual state of crisis, thus making it an atmosphere that forces an employee to feel overwhelmed most of the time and feel guilty about putting up boundaries based on their desire to stay committed to the mission. Such an unsustainable

pattern leads even the most loyal workers to quit the industry altogether.

Methodology

The research relies on a qualitative descriptive research design, which systematically examines what is available in academic works concerning the issue of employee turnover within non-profit organizations. The research design focuses on the secondary source, namely, qualitative content analysis of peer-reviewed journal articles, industry reports, and case studies in terms of content analysis published between 2010-2024. The method enables the definition and assessment of important trends, patterns, and theoretical insights in the research topic without any fresh primary data.

The analytical procedure of content analysis is sequential in the following manner. The relevant scholarly databases (Scopus, Web of Science, JSTOR) will be searched with the assistance of controlled vocabularies (such as non-profit employee turnover, NGO retention, and mission-driven workforce challenge). The inclusion criteria will include only studies on European, Asian, and Sri Lankan contexts, hence refining the first corpus. During the second phase, the texts that were chosen will be subject to open coding to determine recurrent concepts, which will be divided into thematic nodes that could include compensation disparities, burnout factors, and cultural influences. The third step is axial coding, which is used to investigate any relationships between these categories and look into how various variables interact in different regional settings (Fequiere-Celestin, 2024).

The approach is also a particular methodology that applies qualitative content analysis to the sphere of non-profit management studies that are applied in political communication studies. Just as the word association could be used in the study of the way words are used in political campaigns to frame the issue of unemployment, the study in question will analyze how academicians look at turnover drivers in terms of their word usage and theories. As an example, one can analyze how often and under which terms such as "burnout" are used with references to organizational factors compared to individual factors, which will show predominant paradigms in literature (Wanza, 2024).

Conclusion and Recommendation

The problem of employee turnover remains a menace to non-profit organizations as it diminishes the organization's effectiveness in operation and the capacity to provide quality services. The three factors referred to in this research are interrelated factors that cause attrition: lack compensation gaps, chronic

burnout, and organizational culture issues. Although non-disabled people tend to enter non-profits to fulfill some mission-based purpose, the experience of financial stress, emotional burnout, and scarce promotional opportunities inevitably backfires and results in subsequent disillusionment and separation. The answer is to develop good all-around retention plans that address the material and the psychological aspects of non-profit professionals.

There are several documented ways through which organizations can be creative in coming up with ways to overcome the compensation gap. Sri Lankan NGO Sarvodaya saw a drop in the turnover of 25% after implementing perks that helped motivate employees, such as transportation allowances and mobile data allowances, proving that non-financial pay can be as effective as rich salaries. Similarly, the Gawad Kalinga in the Philippines attained a reduction in attrition by 35% by providing innovative housing and food subsidies. Such cases indicate that organizations ought to measure pre- and post-implementation turnover, and a realistic goal that ought to be set is 15-20 percent of pre-implementation turnover reduction in the first year (Hamo, 2021).

Structural interventions are needed to mitigate burnout, and this has been shown to be true through the policy of mandatory four weeks of rest between field assignments introduced by Medecins Sans Frontieres, which reduced the number of burnout-related resignations by 30%. In addition to such policies, organizations ought to conduct frequent wellness surveys and expect measurable growth in performance based on the bottom-line metrics of workload satisfaction. The fresh examples of reverse mentoring programs offered by BRAC Bangladesh, with a 40 percent increase in the retention of juniors, show how cultural innovation can make workplaces more inclusive. Monitoring the rate of internal promotions effectively measures these programs, with a 60 percent rate of managerial internal being a good indicator.

These strategies should also be implemented over some time, during which staff will be thoroughly interviewed to determine pain points unique to the organization. Testing of combinations of flexible benefits packages and wellness support can then be carried out on a pilot basis to be perfected before large-scale implementation, which might necessitate strategic grant applications. The justification exists in the ROI shown on such measures as the case of Sarvodaya, with their \$3.20 saving on each dollar used to retain defenses. Finally, to tackle the turnover issue, one must think of staff retention not as an administrative problem but as an intrinsic part of

organizational sustainability and mission accomplishment in the current complex operational set-up.

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