

Summary 2: The Management and Development of a Skilled Paid Workforce

- 1 Our literature review aims to provide a comprehensive review of current thinking and contextual information about skills and workforce development issues in the third sector. This summary focuses specifically on issues relevant paid workers in the third sector.

The Paid Workforce in the Third Sector Workforce

- 2 Research shows that many people, especially those who are unfamiliar with the third sector, are unaware of the wide range of paid jobs and career possibilities within the sector. For example, available statistics show that the paid workforce in the voluntary and charity sector comprises 2.2% of the UK workforce with many of these workers being highly educated. The rising numbers of paid jobs in the sector is thought to be associated with increasing professionalisation within the voluntary and charity sector, though smaller organisations tend to rely predominantly on volunteers.

Key Skills Issues for Paid Workers

- 3 Recruitment, Retention and Motivation Issues
 - ❖ Case studies and surveys show that there are widespread difficulties in recruiting and retaining appropriate paid staff throughout the sector. The reasons for these difficulties are complex. One of the biggest challenges is the intense competition among third sector employers for a relatively small number of applicants. This may result in employers recruiting less appropriate staff which may lead to a higher level of motivational problems;
 - ❖ For the recruitment of professional staff, the issues are rather different. Whilst there is generally a short supply of professional staff, the problem seems manageable with the exception of professional staff in information technology. Some organisations have successfully experimented with recruiting professional workers from overseas countries;
 - ❖ Unlike the private sector where retention may be minimised through improved financial incentives, retention issues in the third sector are more complex. While financial incentives may play a part, it is significant that third sector employees are looking for a variety of intrinsic rewards related to job satisfaction and social values, e.g. the social aims of the organisation, job autonomy, workers' skills being utilised and the opportunities to make a 'difference'.
- 4 Skills, Training and Development Issues

Like volunteers, the same constraints of lack of suitable training courses, lack of time and resources for more training also apply to paid workers. Research shows

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that many skills gaps within the third sector may be reduced if only more training is carried out.

- ❖ Research shows that while non-profit organisations are similar to private sector companies in terms of the range of collective learning practices, non-profit organisations are significantly better in the range of individual learning practices that they offer to employees – particularly in terms of supplying educational and career-planning activities;
- ❖ There are significant skills gaps and skills shortages in information technology which may affect third sector organisations' ability to achieve greater operational efficiency and to offer a higher level of flexible learning opportunities. IT and its use in relation to the Internet are increasingly seen as crucial to the strategic development of the sector;
- ❖ Whilst much effort has been made at national, regional and employer level within the sector research suggests that significant skills gaps continue to exist in areas such as leadership, strategic planning, fundraising, marketing, organisational development, managing change and legal knowledge.

5 Careers in the Third Sector

Career issues in the third sector are found at both the recruitment and in-service levels. At the recruitment level, a major challenge is to significantly enhance the attractiveness of the sector as a graduate jobs market and to create greater opportunities for more graduates coming into the sector.

For those already in the third sector, there seem to be two key challenges: Career paths and opportunities in the sector do not appear to be well signposted. Consequently many workers are not clear about what career opportunities there are in the sector. For others, the fact that many third sector organisations tend to be small and flat in hierarchy, means that relatively few career opportunities exist at the senior level.

Research also identifies some very positive career opportunities within the third sector. For example, there are lots of overlaps amongst the third sector, the public and the private sectors in the health industry. This means greater job opportunities and career possibilities where skills tend to be transferrable.

Conclusion

- 6 While research shows significant areas of skills shortages and skills gaps, the third sector as a whole is increasingly professionalised. Significant effort has been invested to tackle skills issues and the paid workforce are expected to play a key role in the future development of the sector, as their skills needs are recognised and met. Key challenges highlighted by the literature are the need for continued development of strategic management skills, the need to further develop the image of the sector so that career opportunities within it can be seen, and the need to ensure that effective HRM methods are used to meet skills needs whilst bringing individuals to the sector who 'match' job roles well.