

Voluntary Sector Skills Survey 2007

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Abstract

This paper explores and examines the nature, scope and impact of skills gaps and skills shortages in paid employees within the English voluntary sector in 2007. A large scale representative survey of 1,922 English VS organisations was conducted between November 2006 and January 2007 using computer-aided telephone interviewing (CATI). This paper explores recruitment problems across the sector and identifies that skills shortages are a major driver of hard to fill vacancies. Skills gaps are then examined and their impact on the organisations discussed. This paper concludes by exploring training and workforce development within the organisations.

1. Introduction

This research explores skills gaps and skills shortages in paid employees within the voluntary sector in 2007. It was commissioned by the UK Workforce Hub to provide information on the skills and workforce development of voluntary sector employees in the UK. The full report on which this paper is based will be published in October 2007 (Clark, J. 2007a).

1.1 Aims and objectives

The overarching aim of this research is to explore and examine the nature, scope and impact of skills shortages and skills gaps in the paid workforce of the UK voluntary sector.

This research will provide reliable measures at a national level by sector and size of organisation. The analysis covers areas including:

- employers experiences of hard to fill vacancies and the reasons for these;
- employers views on recruitment over the next three years;
- how many employers have skills gaps in their workforce, the types of functions and skills affected, the causes of these gaps, any actions taken to overcome them, and the impact these deficiencies have; and
- the extent to which organisations have a formal training plan and training budget.

2. Background

2.1 Size of the VS workforce

This research study estimates that there are 559,000 people employed in VS organisations of two or more paid staff in England. This estimate is higher than Labour Force Survey (LFS) estimates, which suggest there are 518,000 paid employees within the English voluntary sector (Reichardt et al., 2007). This may be because this survey uses an employer based measure and the LFS uses an employee based measure¹. Within the UK as a whole, the LFS

¹ For more information on the voluntary sector workforce and a discussion of these estimates, please see the forthcoming UK Voluntary Sector Workforce Almanac 2007 which will be published in October 2007 (Clark, J., 2007b).

estimates that there are 611,000 paid employees in the sector, accounting for 2.2% of the UK workforce (Reichardt et al., 2007).

The UK VS has grown by nearly 80,000 employees (14.9%) since 2000 (Reichardt et al., 2007). The growth in the sector is linked to almost 20 years of public service delivery being contracted out by central and local government agencies to the sector (Kendall, 2003). There are a relatively high number of part-time and female employees within the sector. Within the UK, 39% of VS employees are part-time and 69% are female (Reichardt et al., 2007). This has particular implications for employment policy and practice.

2.2 Skills within the VS workforce

Many of the skills required to work within the VS can be seen across all sectors and include both generic and specialist skills. Generic skills include literacy, numeracy, team working and communication skills. Specialist skills include legal knowledge and contract management. There are also skills that are specific to the VS. These include fundraising, campaigning and volunteer management.

3. Methodology

Prior to this current research, a scoping study was commissioned to conduct an evidence review, develop and pilot the questionnaire and identify a suitable methodology and sampling frame (UK Workforce Hub, 2006). The questionnaire is available to download from www.workforcehub.org.uk.

The sampling frame for England was built from a database of VS organisations in England supplied by GuideStar UK. This is a database of information extracted from the financial accounts of all 168,000 registered charities. It comprised not only contact information but also data on the number of paid staff and staff costs. The contact information was cleansed and further analysis undertaken to maximise the utility of the employment information. As the data was to be collected by telephone, only those organisations with a telephone number on the database were included in the sample frame. The National Employers Skills Survey (NESS) has been used as a base for this survey. NESS is a large-scale survey commissioned by the Learning and Skills Council (LSC) that explores skills needs across all sectors among 75,000 employers in England (LSC, 2006).

During the fieldwork, 2,564 interviews were conducted across the UK using computer-aided telephone interviewing (CATI). Of these, 1,922 were conducted in England. Interviews were conducted with the person at the site responsible for human resources (HR) or personnel issues, or in organisations without a dedicated person for HR, the Chief Executive. Fieldwork took place between November 2006 and January 2007. The survey questionnaire is available to download from our website www.ukworkforcehub.org.uk. The response rate for England was 57%. Survey results have been weighted to ensure that they are representative of voluntary sector organisations with two or more paid employees for each nation. This paper focuses on the findings from England.

3.1 Definitions

The definitions of skills shortages and skills gaps used within this paper are those used by the Learning and Skills Council (LSC) during the National Employers Skills Survey (NESS) (LSC, 2006).

Hard to fill vacancies are those vacancies described by employers as being hard to fill. Reasons behind this include skills-related issues but can often be due to the terms and conditions offered or no applicants for the position.

Skills shortage vacancies are those hard to fill vacancies which are the result of either a lack of required basic or specialist skills, qualifications or experience in the applicants.

Skills gaps exist where employers report having employees who are not fully proficient at their job.

Function

Throughout this paper, reference is made to the employee's function within the organisation. During the survey, it was made clear that it did not matter if a staff member had a different job title, but whether they conducted that function within their work. It is therefore possible for one member of staff to work in multiple functions.

Size

For the purposes of this research, a four category classification has been implemented relating to the size of the organisation: micro-enterprises (2-9 employees), small employers (10-49 employees), medium employers (50-99 employees) and large employers (100+ employees).

Sector

The voluntary sector definition used throughout this paper includes only those organisations that are registered charities. This is due to the contact details of organisations surveyed being obtained from the Charity Commission via GuideStar UK.

Employers

The findings within this paper are based on the views of employers of registered charities in England. 'Employers' were defined at an organisational level, therefore survey questions covered the whole organisation related to that charity commission number, rather than the individual site. All organisations with at least two paid employees were included within the sampling frame, whilst single-person organisations were excluded.

4. Results and discussion

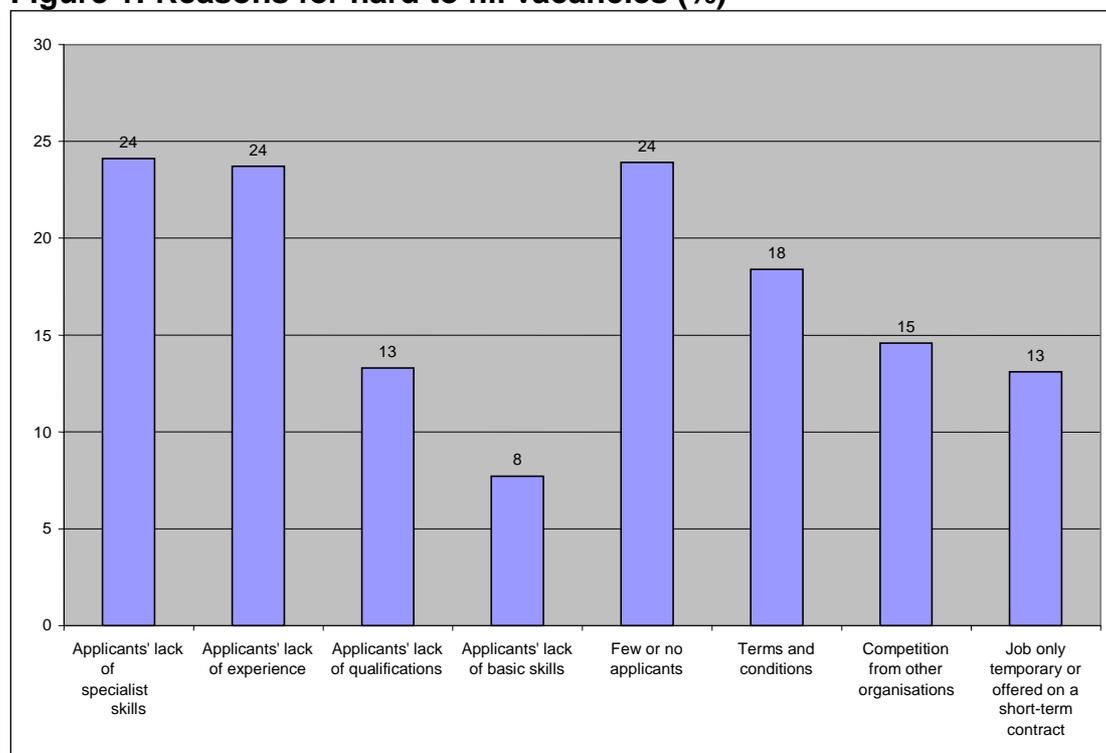
4.1 Recruitment problems and skills shortages

Recruitment problems are evident across the sector with one-quarter of employers reporting hard to fill vacancies within their organisation (24%). For most functions, vacancies were more likely to be identified as hard to fill. Whilst micro and small organisations were less likely than large organisations to have vacancies within their organisation, they were more likely to report those they did have as hard to fill.

Employers most frequently identified hard to fill vacancies within youth work, social care and health care (8%, 8% and 7% respectively). As these functions are not sector specific, it may be that there is a lack of understanding of the sector among potential applicants or that there are issues regarding job security, such as short-term contracts, and the terms and conditions of the post.

Skills shortages lie at the heart of hard to fill vacancies with over one-third of employers with hard to fill vacancies reporting skills shortage vacancies (37%). In particular, nearly a quarter of employers cited a lack of specialist skills and/or experience in applicants (24% each). The sector workforce, however, is well qualified with only 13% of employers reporting a lack of qualifications as a problem.

Figure 1: Reasons for hard to fill vacancies (%)



Base: All employers with hard to fill vacancies (weighted=4077; unweighted=452)

There are a number of other wide ranging over-lapping factors that can also contribute to hard to fill vacancies. Just under one quarter of employers cited few or no applicants as the reason behind their hard to fill vacancies (24%). A lack of applicants may be a sign of the state of the wider labour market. Other reasons include an organisation's location, a perceived lack of career progression and the type of job offered. Related to this there are other factors such as terms and conditions, which were mentioned by just under a fifth of the employers (18%). The terms and conditions an organisation provides are important as this is something an organisation can proactively change in order to attract more candidates. It is worth noting that better terms and conditions are not a euphemism for salary increases. Many candidates are interested in wider benefits such as flexible working policies that do not lead to an increased cost for the organisation.

A significant issue for policy-makers, sector skills councils and training providers is the type of skills employers see as lacking among their paid applicants. To identify these, employers were read a list of skill areas and asked which of these needed improving in their applicants.

The most frequently mentioned skills that organisations would like to see improved in their applicants were soft skills including communication and team working (19% and 17% respectively). These generic soft skills can be easily overlooked but this study highlights their deficiency in the labour market and demonstrates their importance to gaining employment. These soft skills are also fundamental to many functions within VS organisations, e.g. marketing and campaigning.

There are less accredited courses in soft skills such as communication and team working; however, it is these skills that are crucial to working in the sector. Many feel that these skills are acquired instinctively; however, it appears that much more effort should go in to incorporating these into accredited courses for other skills.

A lack of leadership skills in applicants was highlighted by more than one in eight employers (13%). Many in the sector are worried that there are not enough prospective leaders in the labour market. More needs to be done to rectify this and encourage individuals at all levels of their career to increase these skills.

Table 1: Skills which need improving in applicants (%)

Skill	%
Communication	19
Team working	17
Health and safety	15
Literacy	15
Strategic use of IT	15
Leadership	13
Legal knowledge	13
Basic computer literacy/IT	13

Fundraising	13
Monitoring and evaluation	13
Strategic planning and forward thinking	12
Negotiating and influencing	11
Working in partnership with other organisations	11
Numeracy	11
Finance	11
Marketing	10
Project management	9
Management of paid staff	9
Management of volunteers	8
HR/Personnel	8
Campaigning	8
Procurement/contract management	6
Don't know	13
Other skills	3

Base: All employers (weighted=17,336; unweighted=1,922).

4.2 Skills Gaps

Over the last two decades, the level of skills required for jobs have risen significantly. The proportion of jobs requiring at least level 4 qualifications (a certificate in higher education or above) has risen from 20% in 1986 to 30% in 2006. On average, jobs in 2006 also require a longer period of training. A training period of two years or more now accounts for 30% of jobs in Britain compared to 22% in 1986 (Felstead et al. 2007).

Skills gaps² are apparent across the sector with around three in ten employers (29%) reporting under-skilled staff within their organisation. Small organisations are more likely to report skills gaps within their employees. This is likely to be due to the staff having to be multi-skilled to perform a variety of functions.

Skills gaps are particularly reported within specialist skills. Over one-quarter of employers reported skills gaps within strategic use of IT, legal knowledge and fundraising (27%, 26% and 25% respectively). Soft skills such as communication and team working were mentioned by one fifth of employers (21% and 19% respectively).

Table 2: Skills gaps by size of organisation (%)

	Micro	Small	Medium /Large	All
Strategic use of IT	26	30	23	27
Legal knowledge	26	28	22	26
Fundraising	26	26	19	25

² Skills gaps are defined in terms of staff being under-skilled in their function. In the survey, respondents were asked to indicate for each of a number of functions if they considered any member of staff to be under-skilled. All those which identified at least one function where staff were under-skilled were identified as having a skills gap.

Strategic planning and forward thinking	23	24	25	23
Health and safety	21	23	21	22
Marketing	22	22	18	22
Communication	19	22	26	21
Leadership	18	22	27	20
Monitoring and evaluation	17	23	20	19
Team working	17	22	19	19
Negotiating and influencing	17	21	20	19
Basic computer literacy/IT	15	21	24	19
Finance	20	18	13	18
HR/Personnel	15	19	17	16
Management of paid staff	14	16	19	16
Project management	14	17	17	15
Working in partnership with other organisations	14	16	14	15
Management of volunteers	15	13	10	14
Campaigning	14	14	9	13
Procurement/contract management	11	14	11	12
Literacy	7	8	10	8
Numeracy	6	7	9	7
Don't know	1	3	4	2
None	33	29	25	31

Base: All employers (weighted=17,336; unweighted=1,922).

There is a clear link between skills gaps and training and development. Both lack of funding and lack of time for training and development are identified as the main causes of skills gaps (57% and 47% respectively). In a similar vein, approximately one-third of employers reporting skills gaps identified that there was a lack of suitable internal or external training available to them (33% and 29% respectively).

Micro and small organisations were much more likely to report a lack of time to attend or complete training. This may be because there is no one in the organisation to cover their work if they are on a training course. Futureskills 2003 identified lack of time to attend or complete training as a key issue (Wilding et al., 2003). This shows a need, particularly among the micro and small organisations, for affordable training in bite-size chunks that employees can access at times most suitable to them.

The main solution proposed by over three-quarters of employers was to provide further training and development (77%). In light of many organisations already mentioning a lack of funding and time for training it should be questioned how practical this solution is. Similarly, considering three in ten employers report that they lack suitable external training providers, it seems that organisations are not getting value for money as the training they propose is not suitable to their needs. Promotion to employers of less formal ways of developing staff is required. These ways can include coaching by other skilled employees. If this coaching is scheduled into the job description of the skilled employee it can be beneficial to both parties.

Other actions taken involve placing the burden of work on other employees with more than four in ten organisations citing that they reorganise workloads

and people (44%). Further more, one quarter of organisations resort to using volunteers instead of paid employees (25%). The management of this issue is essential as it has huge implications for the organisation in terms of volunteer motivation, morale and turnover. A combination of recruiting employees with the correct skills alongside an on-going training and development plan is essential. Using volunteers in this way can also be a risk in terms of sustainability.

Employers across the sector anticipate future skills shortages and skills gaps. The environment which surrounds the voluntary sector is constantly changing. Drivers for this change are likely to be both sub-sectoral and function specific. These drivers include:

- An increasingly educated, older, mobile and diverse workforce;
- Wider and deeper engagement with the public services agenda;
- Continued competition for skilled employees, as the service sector of the economy continues to expand;
- Higher client expectations driven by a consumerist culture and tough regulatory frameworks; and
- A resource framework tied to outcome and impacts.

As organisations develop new services and projects and apply for new funding bids, the skills required within an organisation are likely to change. Due to this it is likely that there are skills needs among paid staff that are not currently an issue but which the organisation may experience in future years.

Nearly half of employers (48%) identified a skills need within their organisation that whilst not apparent now, is likely to be apparent within the next three years. Most frequently these were specialist skills, particularly strategic use of IT, fundraising, legal knowledge, and strategic planning and forward thinking (16%, 15%, 14% and 13% respectively). Fundraising was a key skills gap for micro, small and medium organisations, employers (16%, 15% and 15% respectively).

4.3 Training and development

Overall, just under three-quarters of employers formally assess whether individuals have gaps in their skills and/or hold a training and development policy. Two-thirds of employers (66%) have an annual training and development budget. The average annual training budget per organisation is approximately £3,877 rising to £7,491 if employers who do not have a training budget are discounted. This equates to an average of £121 per employee rising to £234 per employee if employers who do not have a training budget are discounted.

These figures can not be compared to the figures presented within the National Employers Skills Survey (NESS) due to the large variation between the questions. Identifying how much an organisation spends on its training and development is intrinsically difficult. A straightforward question such as this, asking employers what their annual budget for training and development for the current financial year is, can be an under-estimate for a number of

reasons. The response is unlikely to include staff time and thus excludes a significant part of training expenditure. Alongside this, it does not break the budget down in to constituent activities and does not probe respondents to think about costs they may not have remembered. Additionally, it does not include informal training provided by other employees that is not budgeted for in the same ways. Due to these reasons, the National Employers Skills Survey has begun using a 24 question additional survey to explore training expenditure in more detail (LSC, 2006). The findings within this current survey, however, do give an indication of the number of organisations with a training budget and the employers basic expenditure on training.

5. Conclusion

Recruitment problems are evident across the sector, particularly within the specialist activity functions. Hard to fill vacancies within youth work, social care and health care were a predominant issue. Skills shortages are a major driver of hard to fill vacancies. Over one-third of employees reported that a lack of basic or high level skills, experience or qualifications were the cause of hard to fill vacancies.

Skills gaps are also an issue for the voluntary sector, identified by around three in ten employers. They are particularly reported within specialist functions such as marketing and fundraising and specialist skills such as the strategic use of IT, and legal knowledge. Skills gaps have a detrimental impact on the organisation and it's employees, particularly through the increased workload placed on other employees and volunteers.

One of the difficulties in addressing the skills gaps mentioned within the sector may reflect the challenge of hitting a moving target. It is clear both from the findings of this research and our knowledge of the sector that the VS and its workforce are changing. The increasing expectations on VS organisations to function as high performing private businesses, combined with changing working practices and high turnover rates, makes it increasingly difficult to recruit, retain and train a fully skilled workforce.

Many of the anticipated future skills needs relate to employers recognition that the operating environment for organisations is increasingly uncertain and complex. Employers identify that skills which enable their organisation to deal with this complexity, such as the strategic use of IT and strategic planning and forward thinking, will become more important.

Many organisations display a strong commitment to training and development as shown by the number of organisations who formally assess employees' skills gaps and have a training and development policy. This research shows that due to a lack of time and funding for training, the good intentions that VS organisations have got cannot be realised. This situation is compounded by the skills shortages in the wider labour market mentioned earlier. These prevent organisations from attracting fully skilled proficient staff at the recruitment stage. The UK Workforce Hub are beginning a qualitative research study which will explore the findings identified within this research in

more detail. Both of these pieces of research will provide a solid ground for further recommendations to Government, sector skills councils and training providers on the key skills issues within the voluntary sector.

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