VOLUNTARY SECTOR RESPONSES TO INCREASED RESOURCING CHALLENGES

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ABSTRACT

Purpose: Drug treatment services in the UK have recently undergone significant expansion, alongside the introduction of a set of quality standards which included the management of people. Consequently, voluntary organisations in this sector have been faced with the dual challenges of meeting these standards and simultaneously attracting and retaining additional staff in an already tight labour market. This paper examines the response of voluntary sector organisations to these pressures within the wider context of the so-called 'contract culture', whereby, in order to remain competitive, organisations have experienced continuous pressure on labour costs.

Methodology: This paper reports findings from a large-scale nation-wide survey and interviews with HR Managers.

Findings: The results showed that these organisations had a range of 'good practice' HR policies in place and had made some progress in achieving the quality standards, although many struggled to recruit and retain suitable staff. The consequences of these findings are discussed in relation to the literature on both recruitment and retention and HRM in the voluntary sector.

Practical Implications: The paper has practical implications for resourcing practice within the wider voluntary sector.

KEYWORDS

Voluntary sector

Resourcing

Recruitment and retention

Human Resource Management

RESEARCH PAPER

<u>INTRODUCTION</u>

Organisations concerned with the provision of drug treatment services in the UK have had to cope with significant challenges in recent years. In 1998 the Government announced a ten-year strategy to tackle drugs misuse in Britain. This strategy, outlined in the paper 'Tackling drugs to build a better Britain' (HM Government, 1998) pledged to double the availability of drug treatment services by 2008. The implementation of this substantial increase in service provision led to a heightened demand for staff in this field. At the same time as announcing this expansion in service provision, the UK government set about developing a series of quality standards for drug treatment service providers, the Quality in Alcohol and Drugs Services (QuADS; Drugscope, 1999). The 1996 *Task Force to Review Standards for Drug Misusers* highlighted the variable quality of drug treatment services, especially in the areas of management systems, monitoring systems and forward planning. QuADS were developed as a reaction to this review as a set of quality standards against which drug treatment provider organisations were expected to audit their organisational practice and determine areas where change was required. Setting standards and specifying good practice was presented as a means of ensuring that the increased funding was spent effectively. The standards covered both aspects of service provision and the management of service provider organisations, including the management of their human resources. Organisations bidding to provide publicly funded drug treatment services were required to demonstrate that they could meet these standards.

In essence, the two developments above are not in conflict. However, for voluntary organisations operating in this sector, the particular context in which they found themselves meant that these combined developments raised some major challenges. Recruiting large numbers of additional staff was likely to be challenging for this sector, since it already experienced difficulties attracting and retaining adequate numbers of appropriately qualified staff (Parry, Kelliher, Mills & Tyson, 2005, Wilding, Collis, Lacey & McCullough, 2003). Voluntary sector organisations have traditionally not been known for their sophisticated

approaches to human resource management (Cunningham, 2001; Zacharias, 2003) and therefore being able to demonstrate that they met the required quality standards was likely to involve significant adjustment for many of them. Additionally, the so called 'contract culture' (Leat, 1993), brought about by the purchaser-provider split in the 1980s, whereby voluntary sector organisations could complete for the provision of publicly funded services, meant that many voluntary sector organisations had been under pressure to reduce labour costs in order to be competitive. In practice, this meant containing wage levels and in many cases only offering short-term employment contracts.

Voluntary sector organisations found themselves in a position where first, in order to gain a share of the expanding provision of publicly funded drug treatment services, they had to professionalise their approach to management, including human resource management, second, to respond to increased service provision they had to recruit more staff into a sector which already experienced recruitment difficulties; and third, achieve all this in an environment where competition had exerted downward pressure on labour costs. This paper examines how voluntary sector organisations responded to these combined pressures.

BACKGROUND

Recent estimates suggest that in the UK about 688,000 people are in paid employment in the not-for-profit sector (NCVO, 2008), representing 2.2% of the UK workforce. The number of employees in the voluntary sector increased by 26% in the ten years from 1996 (NCVO, 2007). In 2005/6 the sector had an income in the region of £31 billion and assets worth £86 billion. (NCVO, 2008). However, in spite of its growing significance in the economy, it is an area which has not been subject to much empirical investigation in the UK (Alatrista & Arrowsmith, 2004) and although estimates suggest that labour costs represent a significant proportion of total costs (Passey et al., 2000; Zacharias, 2003), relatively little is known about the way in which human resources are managed (Akingbola, 2006; Cooke, 2004; Rodwell & Teo, 2004; Rondeau & Wagner, 2001).

Employment in the third sector in the UK is typically characterised by a number of features (Almond & Kendall, 2000). These include the small size of workplaces, a high concentration of part-time and temporary staff (temporary employment is twice as prevalent as in the private sector); a high proportion of women employees; the tendency for staff to have high level educational qualifications, and a greater proportion of staff of who work unpaid overtime, than in the economy as a whole (Kendall & Knapp, 1995; Mirvis, 1992). Furthermore, pay levels, in comparison with other sectors, have traditionally been low (Broad, 2002; McMullen & Schellenberg, 2003).

There are a number of specific characteristics that influence the human resource management process in the not-for-profit sector associated with both the nature of the organisations and with the orientations of the people who work for them (Armstrong, 1992). Given their charitable nature, organisations in this sector are likely to have strong values and these values may influence the way in which people are managed. Such organisations are likely to attract people who at least at some level support the cause of the organisation. Light (2002) presents survey evidence of a high level of commitment to their organisation's cause amongst employees of non-profit organisations. Sixty percent indicated that they joined their organisations 'for the chance to make a difference rather than for salary and benefits', substantially higher than comparative figures for the public and private sector workers. This commitment however, may raise challenges for managing employees in this sector (Akingbola, 2006; Mann, 2006). It may mean that employees are less concerned with extrinsic rewards, because of the existence of intrinsic ones (Zimmeck, 1998). Lloyd (1993) uses the term 'ethos discount' to represent the sacrifice that workers in this sector are prepared to make for partaking in the charitable ethos. However, it may also mean that employees are more concerned with how the organisation operates, may expect to be involved in decision making (Cunningham, 2001; Mann, 2006) and may be resistant to change (Tassie

et al., 1996; Billis, 1993). Although in practice the people who work for them may be their most important assets, (Akingbola, 2006), the available evidence on human resource management in this sector suggests that it has traditionally lacked a sophisticated approach (Lloyd, 1993; Butler & Wilson, 1990). For example, employment tribunal cases have been found to be almost double those in the public and private sectors (Cunningham, 2000). The link between organisational strategy and HRM has also been found to be weak (Akingbola, 2006). Although, there is evidence to show that the management of human resources has been an area of significant change in recent years (Palmer, 2003; Kellock et al, 2001), it would seem that people management has traditionally taken a back seat in comparison to the management of activities such as fundraising and service delivery (Zacharias, 2003).

The changing nature of social policy in the UK during 1980s and 1990s has affected the overall way in which the not-for-profit sector is managed (Harris, 2001). The move to a so-called 'mixed economy of care' offered voluntary sector organisations the opportunity to participate in the provision of publicly funded services. Greater involvement in the provision of public sector services (recent evidence shows that typically 38% of income comes from the public sector in the form of government grants, or contracts (NCVO, 2006)) has required increased transparency and for cost efficiency to be demonstrated. This, it has been argued, has led to greater professionalisation of management in the not-for-profit sector (Batsleer, 1995). There is evidence to show that the management of human resources has also been an area of significant change in recent years (Palmer, 2003, Palmer & Ross, 2004), with the establishment of policies, more formalised training, use of more calculative reward policy (e.g. performance related pay) and employee consultation (Kellock Hay et al, 2001). However, the so called 'contract climate' means that providers are often not able to offer long term, secure employment and may have difficulty passing on costs such as training to the service funder. Therefore, the jobs on offer, in addition to being relatively poorly paid, are often not secure and career development opportunities are limited (Passey et al., 2000). These resource constraints and uncertainty can produce tensions in the employment relationship,

such that intrinsic job satisfaction and commitment to the cause are not translated into organisational commitment (Leason, 2002).

 Cooke (2004) argues that in essence the contract culture has created a paradox. On the one hand there is a need for 'hard HRM' (characterised by low employment security, low level of reward, work intensification, lack of training and career development opportunities). On the other there is a need to sustain a high level of commitment, skills and professionalism to enable tangible results and value for money to be demonstrated in order to gain future funding. Similarly, Alatrista and Arrowsmith (2004) argue that because of the constraints on pay, there is a need for human resource management practices that emphasise non-financial means of eliciting employee motivation and commitment, but that faced with resource constraints it may be difficult to achieve this. Whilst staff may be prepared to settle for lower wages, motivation is unlikely to be sustained in the longer term without job security, career development opportunities and improved pay and conditions (Cooke, 2004).

Faced with labour shortages, traditionally it may be expected that organisations will compete with each other for workers by improving the pay and benefits that they offer. Labour market theory suggests that individuals choose jobs that offer them maximum benefits and move from one organisation to another if improved benefits are available (Price, 2004). Accordingly, pay and conditions will therefore be determined by the relative scarcity of particular skills in the labour market (Price, 2004; Claydon, 2001). Economic theory supports the idea that organisations raise salary levels when the labour market is tight and pay levels have been shown to increase at a faster rate when unemployment is low (Blanchflower & Oswald, 1994). There is also some evidence that reward systems within organisations have tangible influences on individuals in terms of organisational commitment, and therefore in turn on retention (Von Glinow, 1985). Claydon (2001) however, suggests that this idea of workers moving freely between jobs in search of higher wages is too simple, as organisations do not generally cut pay when unemployment is high. Similarly Pissarides (1985) asserts that

firms do not necessarily adjust wages upwards to overcome difficulties, firstly, because the wages offered depend not only on the productivity of the potential applicant, but also on the productivity of other workers who are yet to be recruited. In addition, cost pressures and internal relativities may prevent a company from increasing wages to overcome recruitment or retention difficulties. If this is the case then an organisation will have to try and identify alternative ways of attracting and retaining staff.

Furthermore, research has suggested that an attractive salary and benefits package is not sufficient to attract and retain workers (Langan, 2000). Job seekers may not be aware of the 'going' wage rate or may find it difficult to compare pay and benefits across jobs, so concentrate on the nature of the work, gross salary and opportunities for promotion (Carrell, Elbert, & Hatfield, 1995). This would suggest that workers are not solely attracted to or encouraged to remain within an organisation by extrinsic rewards, such as pay and benefits, but also by intrinsic rewards such as work content, or factors such as the opportunities for development or achieving a greater work-life balance. In those organisations which cannot rely on competitive pay rates, this would suggest that there may be a need to focus on non-financial benefits in order to attract and retain staff.

METHOD

The research on which this paper is based was part of a wider project designed to examine the responses of organisations in the public, private and voluntary sectors. The results reported here will be drawn solely from the responses from voluntary sector organisations. In order to gain an insight into how organisations in the drug treatment sector responded to these combined pressures, a two-part research design was adopted. This involved a postal survey of provider organisations asking about their human resource management policies and practices and a series of semi-structured interviews with human resource managers in a sample of provider organisations.

A postal questionnaire was distributed to 601 providers of drug services in England. London was excluded from this study as it had already been examined in a previous study (Parry, Kelliher, Mills and Tyson, 2005). This was because the Greater London Alcohol and Drug Alliance (GLADA) that is responsible for drug treatment within London wanted it to be treated as a unique labour market, and therefore examined alone. As these two studies were commissioned separately by GLADA and the National Treatment Agency (NTA), they differed slightly in purpose and format and have therefore been treated separately. The organisations were identified from lists of substance misuse service providers provided by local Drug Action Team (DAT) co-ordinators. The questionnaire was designed to gain data on workforce demographics; recruitment and training policies; workforce planning strategies and recruitment and retention deficits.

Forty-one semi-structured interviews were conducted with human resource managers and managers of voluntary provider organisations. This sample was stratified to ensure that it contained representatives from all eight regions, rural and metropolitan areas and a range of sizes of organisations. Twenty-three interviews were also carried out with members of the Drug Action Teams who work with both not-for-profit and public sector organisations. These interviews included discussion of a number of themes, namely the nature and source of recruitment and retention difficulties and their responses to them. The content of these interviews was analysed using the computer package NUD:ST in order to identify themes within the data.

RESULTS

In total 181 voluntary sector organisations completed the survey, representing a 33% response rate. Below we present findings from the survey and the interviews. We present data first, on the HRM policies in place, second, on the nature of recruitment difficulties experienced and third, on the responses of the organisations to the challenge they faced.

<u>HRM Policy</u>

In order to build up a picture on the practise of HRM in these organisations, the questionnaire asked a number of questions about whether formal policies and procedures were in place. The degree of policy in place serves, at least in part, as an indicator of how well prepared they were to meet the human resource management aspects of QuADs.

(Table 1)

The majority of organisations reported having a series of policies covering the main HRM activities. Almost all organisations had an equal opportunities policy (99%) and formal grievance procedures (99%) in place. Eighty six percent of organisations reported that they had a written recruitment and selection policy and 96% reported having an equal opportunities in recruitment and selection policy. Most organisations (96%) also maintained up to date job descriptions and candidate specifications (96%) for all jobs. The vast majority reported having some form of formal training policy (91%) and in over half of cases (60%) it was a written policy. Sixty one per cent of not-for-profit organisations had an annual training plan. Almost three-quarters (74%) of the organisations surveyed had an allocated training and development budget. On average this budget was in the region of 5% of the annual payroll bill. These findings would suggest that a reasonable degree of progress had been made towards satisfying the human resource management aspects of QuADs.

The survey also asked more generally about compliance with the QuADs standards. The vast majority of organisations indicated that they were aware of QuADS (95%) and had received a QuADS manual (89%). Approximately two thirds of organisations reported that they had audited their organisation against QuADs (66%), but at the time of data collection, less than a fifth reported that they were fully compliant with the standards (19%). The interviewees were divided with regard to the ease of complying with the QuADS standards. One manager said that: "We have no problems with it. It is easy as we are flexible in the voluntary sector." However, other managers felt that the process of complying with QuADS placed strain on

their resources and that they were finding it difficult to do the necessary work. A number of organisations had employed external consultants to help them become fully compliant with QuADS, in spite of the cost.

Resourcing

In the face of service expansion, it is perhaps not surprising that 75% of responding voluntary sector organisations indicated that they experienced recruitment difficulties.

(Table 2)

An examination of those jobs where recruitment difficulties were greatest showed that this was most common for management roles (29%) and project workers (29%).

(Table 3)

Turning to look at the reasons reported for the recruitment difficulties, it can be seen that the most common causes were a lack of experience in applicants (84%); a lack of applicants per se (79%) and the inability of the voluntary sector organisations to match salary expectations (53%). Approximately half of the organisations surveyed also reported difficulties due to candidates lacking the necessary technical skills (49%) or qualifications (50%). The prevalence of recruitment difficulties is also reflected in the amount of time that it took organisations to fill a post. On average it took 69 days to fill a management post, 57 days to fill a practitioner post and 46 days to fill an administration post.

The majority of managers interviewed also described some difficulties in recruitment. Managers indicated that ideally they would like to recruit staff with existing professional qualifications and some substance misuse experience and some reported that they had developed competency frameworks that detailed the specific knowledge, skills and attributes that they require. However, in practice it was reported that organisations commonly received few applicants and often had to re-advertise before they were able to find a suitable candidate.

Particular difficulties were experienced with nurses, counsellors, doctors, and young person's workers.

These recruitment difficulties were attributed to a number of reasons. By far the most prevalent explanation was an overall shortage of experienced and qualified drug treatment workers. One manager remarked that "There just aren't a huge number of experienced drugs workers around". Managers spoke of the difficulties finding suitable staff, especially when specialist skills were required. In general it was felt that the pool of workers from which organisations were recruiting was too small to meet the expanding needs of the sector.

Recruitment difficulties were also attributed to the nature of funding cycles within the sector. Since contract funding tends to be short-term, many reported that they were only able to offer staff fixed-term contracts. This caused two problems. First, in general, potential applicants were less interested in fixed-term posts and so this tended to reduce the overall number of applications. Second, given that funding is not always renewed, organisations are forced to shed staff at the end of a contract and recruit again when funding becomes available. In addition, the contracting environment meant that managers were under pressure to contain costs and therefore felt unable to offer competitive salary and benefits packages. There was a general consensus that salaries for substance misuse workers were lower than those for similarly qualified workers in other sectors.

There was also a perception that the substance misuse sector is not seen as attractive to workers. A number of managers described the sector as having a stigma attached to it, therefore making it difficult to encourage workers into the field. Thus the combination of low salaries, negative impression of the field, the constraints imposed by the nature of funding, together with the general lack of appropriately skilled workers meant that voluntary sector organisations faced considerable difficulties recruiting staff.

In terms of staff retention, on average these organisations reported an annual turnover of 24 % (compared with an average of 12 % in the public sector organisations). However, at least in comparison to recruitment, most providers did not see employee retention as a major problem. (Table 4)

The most common reasons reported for employees leaving an organisation were to improve their career prospects (39%). Personal reasons or retirement was also relatively common (17%) as was improving salary levels (14%).

Many respondents indicated that organisations do not tend to lose their staff once they have been recruited. It was suggested that many workers joined the substance misuse sector because they had a 'calling' to do so and therefore were less likely to leave. One manager explained that "The turnover is low due to the ethos of the service. Workers have a strong shared understanding of the service and are involved in service development." However, one manager commented that the sector relied too much on the commitment levels of their staff. There was some concern expressed over an apparent trend of employees moving from the not-for-profit into the statutory sector. Respondents explained this in terms of the higher salaries and superior benefits available in the statutory sector. The nature of the funding cycle in the voluntary sector also causes some retention problems, in that workers tend to look for new positions towards the end of their contracts and so sometimes were not retained, even if renewed funding for their posts subsequently becomes available.

Responding to the resourcing challenge

In spite of the difficulties recruiting and retaining appropriate staff, these organisations had developed a number of approaches to help alleviate these problems. The interviewees described a variety of strategies that they used in order to overcome recruitment difficulties. These included recruiting staff from abroad (although this was reported to be very time consuming, due to the legal issues involved), offering student placements, 'growing their

own' by means of training and career programmes and offering attractive conditions of employment.

Organisations had become proactive with regard to keeping their employees. Where possible they had increased salaries and improved the benefits offered to staff. Many voluntary sector providers reported that staff tended to move to the statutory sector in order to further their careers and so responded by taking steps to provide career opportunities within their own organisations, by, for example, creating specialist and senior posts. Smaller organisations, with tighter resource constraints, reported that they concentrated on developing an open organisational culture, involving staff in decisions and promoting the ethos of the organisation to optimise the commitment of staff.

 (Table 5)

Several respondents described using flexible working as a way of attracting and retaining staff. It was believed that strategies such as these led to greater employee satisfaction and thereby encouraged workers to remain within the organisation. However, in practice, our findings show what was available was relatively limited. The majority of organisations offered part-time working (85%) and flexitime (59%), but only a minority offered other forms of flexible working.

(Table 6)

Training assumes great importance where there are shortages of qualified and experienced workers within a sector. Interviewees reported that for many organisations they felt that the only way to expand their workforce was to employ unqualified workers and provide them with training. One manager described how they 'Look for personal skills, enthusiasm, confidence, rather than qualifications and then put people into training. Drugs experience is a bonus.' In effect organisations had responded to the staff shortages by lowering the level of

skills and experience that they required in job applicants, in order to attract people into the organisation. They then addressed the employees' training needs once they were in the organisation. A number also reported that they had established trainee posts specifically for this purpose. Some commented however that the employment of trainees could lead to additional problems in the form of a young workforce that is not 'job ready'.

The results of the survey show that practitioners received on average just over 9 days training per year, managers on average just over 8 days per year, while administration and manual staff received on average 4 and 5 days per year, respectively. The greatest difficulty with regard to staff development appeared to be finding the necessary resources to provide the appropriate training. Most respondents indicated that they found it difficult to fund training. Whilst providers are able to include training costs when tendering for a contract, respondents reported that this was often challenged by commissioning managers and that when trying to reduce costs, training is often the first part of a bid to be cut. Training also created resourcing problems, since employees need to be covered on the job while they are undertaking training. Several managers reflected that it would be useful to have a relief system of staff, similar to the use of bank nurses in the NHS, in order to overcome this problem. A number of managers also expressed concern regarding the quality of the training courses that were available. It was felt that there was little consistency between those courses that were provided across the country. Others indicated that many of the specialised courses and conferences tend to be held in the South East of England, making it harder for those elsewhere in the country, especially in the North, to access appropriate training.

Both the survey and interviews found that provider organisations find it hard to recruit experienced managers in particular, and as a result it was common practice for managers to have been promoted from a practitioner role. This makes the need for management training even more important. One manager explained that: "I was given the job without any qualifications or training. It was a very steep learning curve." Some providers, especially

smaller organisations commented that it was especially difficult to find suitable training courses for managers. At least one of the larger providers has addressed this by employing an external consultant to develop a structured competency framework for managers and to design training based upon these competencies. One manager described how most general management training is aimed at managers in retail or such like and is not appropriate for managers within the substance misuse sector. There was a general feeling that management training was expensive as well as difficult to find funding for.

A number of interviewees reported that an increasingly common way of recruiting workers into the sector is via a formal volunteer training scheme. People are recruited to the organisation as a volunteer, based on personal attributes and transferable skills. They are then put through some form of structured training program with a view to eventually being employed as a paid worker once they are trained. This strategy appears to have been relatively successful, especially where workers obtain an accredited qualification at the end of the training.   It would appear that the organisations that experience fewer problems with recruitment are the ones that have been proactive in this way. Volunteer schemes however it was noted do have drawbacks, in that they can be expensive and cannot guarantee the retention of the worker after the programme.   One manager described how "My organisation doesn't have a volunteer scheme because this is resource intensive and we have insufficient management capacity to set up such a scheme"

Many managers reported actively developing career development opportunities in their organisations as a means of retaining staff. Just over a third of respondents (37%) reported that there was a clear career path within their organisations. Just over half (57%) of the organisations surveyed indicated that they trained their workers for promotion rather than just their current role. A number of organisations have employed consultants to examine their management structure and the competencies underpinning this. Many managers spoke of adding team leader posts and trainee posts in order to create a career structure. However,

despite these initiatives, the general feeling is that "The career structure within the sector is relatively flat and that there are few opportunities for staff to progress within most organisations."

One manager spoke of 'dead man's shoes' in that employees have to wait for a manager to leave before they can progress. Another described the career structure within the sector as 'underdeveloped'. This supports the results of the HR survey in that only a minority of respondents felt that there was a clearly defined career path within their organisation. It was also suggested though that the career structure within organisations would improve as the sector expands.

DISCUSSION AND CONCLUSIONS

This paper has gone beyond existing work which examines the increased involvement of the voluntary sector in the provision of publicly funded services, because in addition the provision of drug treatment services, as a result of government policy, has been a rapidly expanding area of activity. Thus, in this study we have examined not only the effect of the contracting environment, but also the effect of a significant expansion in service provision. Overall then, how had these voluntary sector providers responded to the challenges posed by the UK Government's expansion programme for the provision of drug treatment services, combined with the need to professionalise their people management, in a contract climate where cost reduction was dominant?

In terms of professionalising the management of human resources, the evidence suggests that, at least at the level of policy, these organisations had moved beyond the typical voluntary sector approach (Zacharias, 2003) and made some progress in developing a more sophisticated approach. The vast majority reported having a framework of policies in place covering areas such as recruitment, training, equal opportunities and grievances. There was

also evidence that these policies were translated into action, for example in the form of allocated budgets for training and the existence of a training planning process. Whilst a number of organisations expressed concern about their ability to fully meet the demands of the QuADs, in terms of human resource management, the majority of organisations surveyed did have the formal policies required in place. It would seem that the experience of the changed policy context and the 'mixed economy of care', whereby voluntary sector organisations were able to become involved in the provision of publicly funded services had, in this sector, already led to a greater professionalisation of management (Batsleer, 1995), at least in relation to human resources (Hay et al, 2001). These findings, broadly similar to an earlier study which focused solely on London (Parry, et al, 2005), would suggest that government policy has had a significant effect on HRM in the sector.

As a result of the move to a 'mixed economy' of care, voluntary sector organisations have become more involved in the mainstream provision of public sector services, but have in turn been subject to the influence of those bodies they rely upon for future funding. In line with institutional theory, it could be argued that the activities and direction of voluntary organisations in this sector are increasingly being determined by the power of government organisations (Osborne, 1998). By requiring organisations bidding for the provision of services to demonstrate their ability to comply to specified quality standards, they have not only had an influence on the way in which human resources are managed, but have also attempted to create greater similarity across the sector.

However, our findings represent a snapshot in time and stem from managerial respondents only; as such we are not able to fully assess how these policies were implemented in practice. As Paton and Foot (2000) observe, organisations may relate to award or audit systems in a variety of ways and these may not necessarily result in significant change to practice. In this context the question also arises over whether such developments would have taken place irrespective of the imposition of QuADs. In line with the findings of other studies, managers may have used the introduction of the standards as a lever to introduce changes to policy and practice, even where not strictly speaking required to attain the award (Paton and Foot, 2000)

These findings show that voluntary sector organisations concerned with the supply of drug treatment services have found the challenges placed on them by the expansion in service provision difficult to manage. In particular they have struggled to recruit suitably qualified and experienced workers, with three-quarters of respondents indicating difficulties. These findings paint a similar picture to studies conducted in other parts of the voluntary sector where there has been an increased involvement in the provision of publicly funded services (Nickson, Warhurst, Dutton & Hurrell, 2008), but suggest a more pervasive problem than in the sector more generally (Wilding et al, 2003). It is perhaps not surprisingly that the significant expansion of drug treatment services had had the effect of exacerbating existing recruitment problems, caused by the apparent stigma attached to the work and the lack of permanent employment as a result of contract funding. A surplus of suitably qualified and experienced staff simply did not exist and given the time lag associated with gaining such qualifications and experience, a strategy of major expansion in the provision of drug treatment services had, almost inevitably, created a significant labour shortage.

Consequently provider organisations had to compete with one another for the available labour. However, this situation of scarcity of skills had not, in line with conventional wisdom (Price, 2004, Claydon, 2001), had a major impact on the pay and conditions offered to workers. Whilst some voluntary organisations reported that they had attempted to increase the pay they offered, they had been unable to do this at a level that would alter the dynamics of this labour market and enable them to compete with public or private sector providers. This can at least in part be explained by the contract environment in which these organisations operated, whereby the need to control costs, including labour costs was dominant.

If an organisation is unable to respond to a labour shortage by raising pay levels to a level where they can attract labour, they need to look to other non-financial means of addressing the problem (Alastrista & Arrowsmith, 2004). The findings show that these organisations

responded by offering flexible working arrangements, training, and development and career opportunities. 'Growing their own' by recruiting and training unqualified staff was seen as a way of not only offering an attractive employment proposition, but also as being proactive in expanding the workforce and a number of providers had gone down this route, in spite of resource constraints in funding training. Creating trainee posts and developing volunteer training schemes, with a view to employment on completion were also among the approaches used. Although retention was generally seen as less of a problem than recruitment, a number of organisations had developed internal career structures in order to try and develop and retain staff. However, it was acknowledged that the opportunities to do this were limited and in line with the findings of Cunningham and James (2007), there was evidence that some of these staff were lost to the public sector where more secure employment opportunities were offered. Whilst training and development were seen as means of tackling the root cause of the problem, they experienced significant resource constraints both in terms of finding funding for training (including the cost covering staff on off the job training), but also in terms of the availability of appropriate courses.

These voluntary sector organisations found themselves having to juggle conflicting pressures. In addition to the need to contain labour costs, discussed above, the process of contracting and re-contracting had placed significant limitations upon these organisations' ability to attract and retain staff, because of the short-term nature of employment (Akingbola, 2004). The organisations had responded creatively to this demanding situation and they had employed a number of 'soft HRM' approaches designed to foster employee commitment and motivation by non-financial means (Alatrista & Arrowsmith, 2004), with some degree of success. At one level, this in turn had contributed to developing a more sophisticated approach to HRM.

This study has a number of limitations. Firstly, due to the way in which this and another study were commissioned, we have not included London in this study. An examination of the difficulties experienced by drug treatment providers in London and their responses to these,

as permitted by our first study (Parry et al, 2005), suggests that the experience of organisations in London is similar to that discussed in this paper. Secondly, due to the focus of this research, the content of our interviews did not cover particular areas, which may be of interest to future researchers in this area. For example, we have not included an analysis of the role of the HR function or the HR manager within the provider organization, of the impact of legislation or the exact nature of reward and compensation. Future research should examine these areas. Despite these limitations however, we have provided a contribution to an under researched field through the examination of the challenges facing voluntary sector drug treatment providers in recent years.

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Table 1: Formal recruitment and selection policies and procedures (n=181):

	% organisations
Written recruitment/ selection policy	86
Equal opportunities in recruitment/selection policy.	96
Up to date job descriptions for all jobs	96
Candidate specifications for all jobs	96
Equal opportunities policy	99
Formal grievance procedures	99
Formal training policy	91
Allocated training and development budget	74
Annual training plan	61

Table 2: Jobs causing most recruitment difficulties (n =181)

	% organisations
Management	29.0
Nurses	3.1
Counsellors	11.5
Project workers	29.0
Doctors/Psychologists	1.5
Social workers	0.8
Criminal justice	6.1
Administration/Manual	7.6
Other	11.5

Table 3: Reasons behind recruitment difficulties (n = 181)

	% organisations
Insufficient applicants	78.9
Too many applicants	14.2
Salary match	53.1
Lack of experience	83.6
Lack of technical skills	49.3
Lack of qualifications	49.6
Lack of Managerial skills	41.4
Location (accommodation)	24.3
Location (transport Problems)	28.5

Table 4: Reasons for employees leaving the organisation (n = 181)

	% organisations
Funding/ Contracts	6.9
Relocation	8.3
Career prospects	38.6
Personal/Retirement/ Ill health	16.6
Dismissal/ Failed probation	5.5
Salary	13.8
Further education	2.1
Other	8.3

Table 5: Provision of flexible working practices

	% organisations
Flexitime	58.9
Job share	28.3
Home/tele Working	33.6
Annualised hours	15.0
Part time	85.0

Table 6: Time spent on training (n = 181)

	% organisations
Managers	8.11
Practitioners	9.06
Administration	4.91
Manual	4.09