

# **The practice of HRD in the voluntary sector: towards an understanding of impact**

**Vivienne Griggs\* and Rick Holden**

**Leeds Business School  
Leeds Metropolitan University**

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\* Corresponding author

Leeds Business School  
Leighton Hall  
Beckett Park  
Leeds  
LS6 3QS  
Tel: 0113 2832600  
E Mail: [V.Griggs@leedsmet.ac.uk](mailto:V.Griggs@leedsmet.ac.uk)

## **Introduction**

This paper addresses the role of learning in assisting voluntary sector organisations achieve their organisational objectives. Specifically it seeks to develop a platform from which to position necessary research in order to understand the link between how learning is organised, managed and delivered within voluntary sector organisations and its impact upon performance. The paper is thus a step towards a more robust theoretical and evidential understanding of a relatively under-researched domain of HRD practice.

## **The Voluntary and Community Sector: the 'third' sector**

Terms such as the 'charity sector', the 'not-for-profit sector' and the 'third sector', are often used interchangeably to describe the sector. Definitions have been widely discussed (Myers and Sacks, 2001; Parry et al, 2005; Billis and Glennerster, 1998; Salamon and Ahneier, 1992) and yet there is still a lack of consensus. Kendall and Knapp (1995) describe it as a 'loose and baggy monster' reflecting the diversity and difficulty of categorization. Whilst acknowledging this complexity and the imprecise boundaries, for the purposes of this paper we will use the UK Government's Office of the Third Sector descriptor:

"The third sector is a diverse, active and passionate sector. Organizations in the sector share common characteristics:

- non-governmental
- value-driven
- Principally reinvest any financial surpluses to further social, environmental or cultural objectives.

The term encompasses voluntary and community organizations, charities, social enterprises, cooperatives and mutuals both large and small."

Within the UK as a whole, the Labour Force Survey (LFS) estimates that there are 611,000 paid employees in the sector, accounting for 2.2% of the UK workforce. The sector has grown by nearly 80,000 employees (14.9%) since 2000 (Reichardt et al., 2007). A key factor driving growth has been changes in government strategy. The introduction of 'care in the community' has resulted in a mixed economy of care. Many voluntary organizations now receive their financial support from the public sector. This in turn has implications for the management of the organizations as they are required to tender for services and are subject to performance measures on these contracts. Consequently, voluntary organizations are competing with public and private sector companies for funding.

Furthermore, Government funding is targeted in particular areas to support a political agenda. Public Service Agreements set out government priorities and funding for projects is targeted at these. Hence, in the same way public sector organizations are shaped by the political agenda, the altered approach to provision of funding to voluntary organizations means that they are also subject to greater political influence.

## **Distinctive characteristics**

A number of commentators (see, for example, Cunningham, 2001) claim the sector has a distinctive culture due to participative forms of decision making and the values which are linked to the particular cause or mission of the organization. If staff chose to work in these organizations it is because they believe in the aims. Intrinsic motivation may be more of a driver than extrinsic rewards. This has an impact on the psychological contract of employees. Ridder and McCandless (2008) discuss the different needs and motivations of nonprofit employees, citing evidence of 'a nonmonetary commitment'.

Kellock Hay et al (2001) talk about unique sectoral characteristics such as, resource scarcity and diverse stakeholder objectives, suggesting these that can complicate the management process. Accountability is often to a number of different groups which is further exacerbated by the public sector relationship outlined above. The complexity of decision making and the management by committees often typical of these organizations can make decision making a long and complex process. The highly individualistic characteristics and the value led nature may influence the way people are managed. (Armstrong, 1992).

A distinctive feature of many 'third sector' organizations is a voluntary workforce alongside paid employees. The Citizenship Survey (2005) estimates that 11.6 million people formally volunteer at least once a month in England (Kitchen et al., 2006). This has a fundamental impact on the nature of management. In terms of learning and development, some organizations concentrate their efforts solely on the paid employees. Trustees of voluntary organizations are also volunteers and this further complicates the workforce dynamics

By their nature these operations are lean in terms of overheads, budgets are tight and spending needs to be clearly justified. Although employee costs can total up to 70 percent of a voluntary organization's budget, people management in the sector has traditionally taken a back seat to the more pressing concerns of fundraising and delivery. Zacharias (2003). In their investigation of change management in the voluntary sector Kellock Hay et al (2001) identified the lack of time and resources for training as a barrier to change. The range of financial sources also tends to be greater than in other sectors and funding streams may be irregular and unpredictable making long terms planning difficult.

Some of the distinctive features of the sector present a clear challenge for HRD but perhaps it is also these qualities that may themselves facilitate a learning culture. Beattie (2006) approaches HRD in the voluntary sector with a set of questions about how workplace learning is delivered and its impact upon organisational performance. Conclusions point towards the importance of integrated approaches to learning and development and learning climates which build on person-centred values of social care. Similarly,, as part of research exploring the suitability of the liP model for small business, Hill and Stewart (2000) draw an account of informal learning activity within a youth / community organisation noting the power of such learning and the particular significance of non-employee development.

Recognition that the sector has a challenging HRD agenda is evident in a recent pledge by Government to establish 'Skills - Third Sector'. It is being established as a charity and

will perform a similar role to the sector skills councils by addressing skills gaps and ensuring the needs of voluntary organizations are considered in the development of national occupational standards.

## **The Research Project**

Befitting the lack of theoretical and empirical insight on HRD in voluntary sector organizations the research to date has been deliberately explorative. We identified a number of initial case study organizations from a convenience sample of the researchers' contacts. They were selected to include a variety of different organizations in the sector, some reliant on volunteers others predominantly paid staff, with different funding arrangements and different care domains. This selection was intended to provide a more in-depth investigation of learning issues rather than be in any way representative or generalizable to a wider population. We chose to interview people who held responsibility for HRD in the organization. In some instances this was the Chief Executive and in others the HR/Personnel Manager. The intention was to develop a genuine insight into the role of learning and development and its underlying tensions and enablers; in essence, to give them a platform to tell their story. The interviews were semi-structured, with a format that enabled the broad focus adopted in initial interviews to shift somewhat to more focused questioning subsequently. The approach enabled us to problematise our preliminary findings in conjunction with themes from existing literature.

## **Findings**

We note here some of the characteristics of the case study organisations in the context of issues identified as significant for the third sector. In all of the cases a strong value driven culture was evident. Employees were reported as holding a high commitment to meeting the needs of the service, ensuring that their service users were receiving the best possible care. Interestingly, the impact this had on HRD practice appeared to vary. At St. Anne's, for example, (an organisation providing services for people with learning disabilities, mental health problems, homeless people, and people with drug or alcohol problems) it was demonstrated in a willingness to invest in training as a means of ensuring good performance; at Home-start Leeds, (a family support charity providing support to parents with young children) a focus on staff and volunteer development integral to all working practices. Conversely, in case A, (a charity providing support for vulnerable adults) a counselling culture manifested itself in a strong individual orientation, creating some reluctance to adopt more collective learning processes. Also, at Leeds Federated Housing (a registered social landlord), there was evidence of the organisations change to operate more as a 'business' was being resisted by some employees who felt this conflicted with their support of individual clients.

Whilst our research to date supports a notion of the complexity of stakeholders as a challenge to the organisation it also presented a set of potentially rich and valuable learning networks emerging from these relationships. Respondents provided glimpses of knowledge sharing due to a common interest, in both formal and informal settings. Importantly though the level and nature of an integrated system of knowledge management remains an issue for further research.

The process of tendering for public funding and contracts was generating both push and pull pressure on training. The quality of staff is seen as a key strength and therefore an aspect of critical advantage in the tendering process for St. Anne's, Home-start and Case A. Indeed this was the principle link to business performance. Organisations perceived a threat to their competitive edge if they were seen as not striving to meet sector standards (and contractor expectations) of training and development. The increased regulation integral to the contracts, is driving a programme of mandatory training, linked to NVQs, particularly visible at St Anne's and Leeds Federated Housing. Supported by the sector skills councils, such as, Skills for Care, this external support is clearly critical in terms of a level of formal training it nonetheless raises the question whether the organisations are being impelled towards a reactive, supply driven approach. Furthermore, nonprofits are being driven to reduce training costs as public sector funding has been cut and is therefore squeezing budgets further. This is perhaps impacting more on those with a traditional training programme such as St Anne's, rather than those adopting a more integrated workplace learning approach, such as, Home-start Leeds.

Drawing on Hendry and Pettigrew (1988) our case studies depict a picture of both positive and negative forces for training and development. A complexity exists which can create tensions but also opportunities for HRD. What seemed to be common across the cases was the change agenda. All the case study organizations reporting facing a problematic external environment; a challenging combination of regulation and deregulation. The response, in terms of HRD, offered less consistency and highlighted emergent tensions in the management and delivery of learning and development. Here we suggest it may be helpful to work with two 'constructs': the positioning of HRD (the politics of HRD; the status, power and influence of the function, together with its resource base) and the learning orientation of the organization. The latter attempts to capture the relationship between learning and the skill implications of the core (value led) work of the organization. Thus, this construct incorporates the balance between formal and informal learning; the level of integration of work and learning; inclusivity/fragmentation in learning provision and delivery.

Looking at St Anne's and Leeds Federated Housing for example, HRD appear strategically well placed to address and lead change. Indeed, both purported to be responding 'strategically'. A competency framework is to be introduced at St Anne's, recognizing that whilst staff are 'technically' strong "it's how they do it" (engagement, teamwork, motivation etc) that requires enhancing. The need to be more business focused is driving Leeds Federated Housing HRD plans in the both the short and medium term. At the same time, however, testimony reveals tensions. A reliance on formal (mandatory) training, dominated by NVQs is evident at St Anne's, together with patchy line manager involvement and engagement in workplace learning and an interesting policy shift toward e-learning. Whilst Leeds Federated Housing has moved further away from 'traditional training' a fully integrated model remains some way off. There was recognition, for example of the power of learning networks at the point of service delivery and glimpses of practice aimed at maximising this learning but barriers and constraints remained to be fully tackled. For both, assessment of the link between learning and performance remained as a somewhat uneasy reliance on the external assessments undertaken by the likes of the Care Quality Commission.

In contrast, HRD in Case A is relatively poorly positioned within the organization. The testimony of the Personnel Officer speaks of 'being ignored' and 'struggling' to influence the Chief Executive in terms of broad shifts in learning orientation. Whilst there is a recognition of need to pursue a more collective orientation to learning this is hamstrung by a legacy of a very person centered, individual culture, and the fact that formal, course based provision provides an easier 'proxy' measure of training effort to satisfy contractors.

The potential value of this level of analysis is in understanding how HRD, in the context of sector change, seeks to manage and influence learning provision to address tensions which relate directly to the nature of the core work; its effectiveness, quality and the skill levels and autonomy of the workforce. A degree of added complexity is evident when Home-start, for example, is drawn into such analysis; the nature of the workforce here being largely volunteers. However, the potential value of such analysis remains. At Home-start there is no HRD function as such and HRD is driven by the Chief Executive. Yet Home-start suggests an orientation to learning that, on the face of it, offers a fit for purpose response to the skill demands of the work: collective, informal, supportive and respectful of autonomous skilled workforce. Communities of practice within Home-start appear to have the appropriate levels of support and infrastructure to map, tap and disseminate (Gibb, 2002) their learning and where links to performance are clear and direct. But, critically, to what extent is this the reality of work for this volunteer workforce and to what extent, if it does exist, is it under severe pressure from the challenging environment?

## **Conclusions**

The research thus far provides two outcomes of value. First, the beginnings of insight into the role of HRD in the management of change for a sector in transition. The HRD practices of Home-start, St Anne's etc begin to fill the empirical vacuum. Such case studies reveal a range of uneven practice and certainly only scratch the surface. But nonetheless, and together with the work of Beattie, Hill and Stewart, they begin to address an obvious gap in teaching resources for the profession.

Secondly, research to date establishes some provisional 'navigational lights' for subsequent research. Critical here, we suggest, is the insight to be gained from a rigorous exploration of the relationship between the attributes of Third Sector organizations working (in the main) with social care issues and the reality of how HRD provides an organizational response to the dilemmas and tensions facing such organizations. From this may emerge the theoretical insight to provide the profession with a more 'fit for purpose' resource for ongoing reflective practice as regards HRD in the Third Sector.

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