Learning for Purpose

Researching the Social Return on Education and Training in the Australian Not-for-Profit Sector

CENTRE for SOCIAL IMPACT

THE UNIVERSITY OF WESTERN AUSTRALIA
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AUSTRALIAN SCHOLARSHIPS FOUNDATION
Building Knowledge : Building Capacity

origin foundation

Foreword

The Not-for-Profit (NFP) sector performs a vital function in Australian society supporting those in need and making a positive difference to the lives of the people and the communities it serves. But more is expected of the sector now than ever before; more in terms of performance and more in terms of social impact.

To do 'more good' requires more resources. It also requires improved systems of operation and enhanced capability. And as argued by the Productivity Commission, in its landmark 2010 Report Contribution of the Not-for-Profit Sector, it demands an increased investment in training and development. This poses challenges for management and NFP boards in a sector significantly constrained by limited resources.

The Origin Foundation recognises the great contribution made by the NFP sector in achieving social impact and seeks to support the sector to achieve even higher performance through enhanced investment in training and development. The Origin Foundation seeks to be a catalyst for change in supporting the Australian NFP sector. It sets about pursuing two related initiatives.

First, it funded a wide range of scholarships for Not-for-Profit leaders. These scholarships are being administered by the Australian Scholarships Foundation.

Second, it funded the Centre for Social Impact at the University of Western Australia, to undertake a major piece of research to understand and estimate the extent to which performance improves when people are skilled up: that money invested in training and developing leaders of community organisations will result in better support for those in need. The present report is the product of this work. It represents a beginning; a catalyst for a discussion that could be a game changer if we are willing to confront three challenges posed to our perceptions of Not-for-Profit organisations, funders, and decision makers in the sector.

Challenge 1 – Changing public perceptions.

Currently we value the emotional over the rational. Funding and donations are often directed at front-line service delivery, due to a perception that money spent on training is wasteful and makes organisations appear less focussed on 'final ends'. However, the Australian Scholarship Foundation argues that "improved leadership and management capability is the critical difference in creating effective and efficient NFPs."

This report backs that up. We would be horrified if a doctor, pilot, or teacher of our children, did no more training and development after graduating; did not keep up with new development and best practice. Yet, if Not-for-Profit leaders spend on training and development they may be subject to public criticism of not focusing on 'front-line' service delivery.

Challenge 2 – Funders have to review their rules.

Many corporate and business funders of Not-for-Profit agencies are reluctant to support 'capacity building' such as training and development. They insist that every dollar should go towards 'the mission' of the Not-for-Profit organisation. This is illogical and does not represent how they operate their own organisations. Investment in training and development is a given within the corporate and business sectors, as is investment in organisational infrastructure.

Many philanthropic foundations take a tactical approach to funding and have a preference for dispensing large numbers of small grants across the Not-for-Profit sector. This practise can contribute to inefficiencies within Not-for-Profit organisations.

Challenge 3 - Help for the Helpers.

Leaders in the Not-for-Profit sector can use this report to push back when their attempts at improving efficiency and productivity through training and development are criticised or refused funding.

If we can address these challenges then the needy in our communities will be better served by a Not-for-Profit sector that is not working harder, but smarter.

Sean Barrett
Head of Origin Foundation

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"*As a NFP, we are **tasked to do more with less** in an ever-changing marketplace. The work we do and the decisions we make affects the lives of so many people living with a disability and their families. **Our product is people and our goal is to change lives.** It's a big job and a big goal! Never has the role of leadership been more critical as we navigate major sector change under the NDIS. **Personal development for our leaders is key** and step one is ensuring we are self-aware and working on our own shortcomings. We must act with integrity at all times. We oversee a range of individual support and **manage taxpayer funding**. We are responsible and accountable to entire communities and must do the best we possibly can at all times. The role of innovation in **the way we lead has huge impacts**.*"

CEO, DISABILITY SERVICES (SA)

"*To my organisation training and professional development is **very important but very hard to fund**.*"

CEO, ENVIRONMENTAL PRESERVATION (WA)

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Executive Summary

Training and professional development are key tools for strategically enhancing the leadership and technical competence of any workforce. Research shows that formal learning experiences that are well aligned, designed, delivered, and applied do improve individual and organisational performance.

Indeed, the development of human capital is now globally heralded as fundamental to individual, organisational, and societal sustainability and progress. Yet, the continuous and professional development of leaders, managers, directors, employees, and volunteers is repetitively admonished for its absence in the Not-for-Profit (NFP) sector.

Despite the need for an informed conversation, there is a profound absence of systematic information on the state of professional development in Australian NFP organisations: how they develop their people, the consequences of their efforts, and what might be holding them back.

This research begins to fill that gap.

The Australian Not-for-Profit sector is extensive and operates across most aspects of our lives and communities. It provides services and support that are diverse and complicated, and in domains that business and public sector organisations are not able or willing to address. With over 600,000 organisations, the NFP sector is the fastest growing part of the Australian economy.

Notably, the Australian NFP Sector makes a substantial economic contribution by generating $55 billion toward the nation's GDP; employs more than 1 million people, who represent about 9% of the overall workforce; and engages over 5 million volunteers, who contribute an additional $15 billion in unpaid work.

Every Australian benefits from NFP services that address social disadvantage, civic awareness, community cohesion, education, employment, emergency relief, cultural heritage, biodiversity, artistic creation, sports, well-being, and thus shape and sustain an attractive and functional society.

Meanwhile, challenging times give rise to NFP leaders being pessimistic about their organisations' ability to match heightened expectations. The Australian NFP sector is under severe strain to meet the many obligations, challenges, and goals for making a sustained social impact.

And so is its workforce.

Most people working for NFP organisations are dedicated and motivated. They work long hours and are paid less for their efforts when compared with the private and public sector. Even more people volunteer their time and energy. The challenge is not to make them work harder, but smarter.

This report draws on robust theory and integrates rich empirical evidence to inform leaders, funders, policy makers, and scholars about workforce development in the Australian NFP sector. It reviews pertinent literature and juxtaposes debates that usually take place within different communities and discipline fields.

The report summarises key findings from field research conducted in Australia from 2012 to 2015. The report is for all those interested in the state of 'Learning for Purpose' and how it affects NFP organisations' success in realising their mission and community objectives.

The potential to rise from good to great hinges on the people and capabilities within the Australian NFP sector. The findings in this report establish support for professional development as necessary to systematically facilitate Australian NFP workers' knowledge, skills, and abilities. And for these, in turn, to significantly contribute to organisational viability and the generation of positive social change.

Key Findings

Training intensity is highly variable across organisational size, job role and sub-sector. About 48 per cent of all NFP employees and volunteers receive at least one formal professional development experience per calendar year, though this is highly variable across the Australian NFP sector. Members of governance boards, volunteers, and small NFP organisations in general receive less training than others in the Australian NFP sector.

#1

NFP organisations that systematically develop their people do better. Data from 697 Australian NFP organisations shows that organisational human resource development practices and policies positively affect organisational competence and capability. This in turn engenders organisational performance, which significantly facilitates the creation of social impact.

#2

Training for NFP key competencies works. New evidence presented in this report shows that a set of professional development activities addressing NFP governance, strategic leadership, and impact evaluation has systematic, positive effects on those trained. When compared to a control group, those receiving training in these fields gain greater role clarity, competence knowledge and self-confidence that facilitate better decisions and behaviours at work.

#3

Training NFP key competencies leads to multiple positive outcomes. Powerful impact narratives support and illustrate the central 'theory of change' that lies behind the findings, namely, professional development experiences lead to new knowledge, skills and abilities. The rich data collected shows that training NFP workers facilitates better leadership, saves funds, leads to superior performance, and achieves greater well-being, which, in turn, enhances organisational viability and social change.

#4

Training can deliver positive economic returns. Exemplary cost-benefit estimation for a NFP governance training scheme suggests an economic impact factor of +6. For each dollar spent on the capacity building, there appears to be an average positive return of about six dollars that can be attributed to the training undertaken and the resulting behaviours, decisions and flow on effects.

#5

The lack of money and time prevent needed professional development opportunities. Insufficient financial and structural support prevent the Australian NFP sector and its people from engaging with more professional development. Smaller NFP organisations appear particularly prone to financial challenges, while larger NFPs are challenged by the time and support required to offer training. Thirty three per cent of NFP executives have no access to a designated training budget.

#6

The needs for developing NFP key competencies vary considerably. There is a need for increased leadership development and strategic competence across the Australian NFP sector to ensure mission success. Certain sub-sectors and organisational features demand specific attention. A future national study must generate large and more granular data to inform policy makers, training providers, funders and other NFP stakeholders.

#7

Learning for Purpose A National Research Program

'Learning for Purpose' is a ground-breaking, national research program that investigates capacity building through professional development for the Australian Not-for-Profit sector. The aim is to systematically understand, evaluate, and improve the means through which individuals and organisations gain and sustain the key competencies for realising social change.

The research is led by the Centre for Social Impact at the University of Western Australia Business School, and is involved in multiple national and international collaborations.

In 2012, the research team began to systematically examine the social return on education and training for individuals and organisations in the Australian Not-for-Profit sector. This work is funded by the Origin Foundation and realised in close collaboration with the Australian Scholarships Foundation, and presented in this report.

Research starting in 2015 will identify the most effective and efficient means by which to develop Not-for-Profit key competencies on a national scale through formal and informal work learning. This research is funded through the Australian Research Council and EY, and realised in collaboration with the Australian Scholarships Foundation, the University of New South Wales and Swinburne University.

Through the Learning for Purpose program all partners seek to inform practice, policy, and theory about maximising Not-for-Profit organisations' capability so they can better realise their community objectives and social change.

www.business.uwa.edu.au/learning-for-purpose

About this Report

This report presents the findings of the Social Return on Education and Training studies, field research conducted between 2012 and 2015. It provides the first national documentation of the state of training and professional development in the Australian Not-for-Profit sector. The report is aimed at a broad audience: leaders, funders, scholars, policy makers, volunteers, and anyone interested in the state of 'Learning for Purpose' and how it affects Not-for-Profit organisations and social change.

The Centre for Social Impact at the University of Western Australia Business School is part of one of Australia's leading teaching and research institutions. We believe in the power and potential of learning to help solve the economic and social challenges of tomorrow. We also believe in the importance of independent and sound research, and thus are honoured to contribute to the conversation about facilitating social change through the findings and the discussion presented in this report.

The report is designed to be useful and accessible. It begins with a comprehensive review of the roles of learning, training, and professional development as they relate to the Australian Not-for-Profit sector. The report then provides a synopsis of seven research questions and the respective key findings. A range of case studies subsequently offers rich insights about the issues in focus. Following, the integral discussion gives more meaning to these results and offers suggestions for going forward. The methodological details are found in the last section of the report.

Readers of this report are invited to get involved in the conversation and provide suggestions for addressing solutions and future research. Finally, to realise the full potential of this report and shape the conversation, please share, embrace, and discuss it among your colleagues and work circles.

Learning for Purpose
share | embrace | discuss #LFP

Background

Evidence

Review

Introduction

This review provides a discussion of current thinking, research, and contextual information about the Australian Not-for-Profit (NFP) sector, its workforce, and matters of training and professional development.

The review is presented as an opportunity for readers to become informed about seminal concepts, relevant facts, and important relationships that to date may not have received the full attention they deserve and to inform the conversations about the NFP sector in Australia.

The statistical picture of the NFP sector in Australia has only emerged in more recent times[1–3]. While we have gained an understanding about the role of volunteers and charitable giving[4], relatively little is known about the Australian NFP sector workforce.

In particular, there is a profound absence of systematic information about matters of training and professional development in the Australian NFP sector[2,5,6]. The literature review thus also considers pertinent research from other countries to facilitate a comprehensive discussion of the issues[7–11].

The following review integrates and juxtaposes facts and debates that usually take place within different communities. It draws on scholarly and grey literature from a range of disciplines fields, including organisational behaviour and performance, labour economics, and management. Where possible it draws on the latest studies, including commentaries about analyses on workforce, funding, policy, and trends in the NFP sector at large.

In the interest of parsimony and readability, the discussion focuses on aspects of importance and briefly references others. The interested reader is invited to seek out the literature and sources referenced to gain a broader understanding of the issues.

The Australian Not-for-Profit Sector

About 600,000 Not-for-Profit organisations (NFP) fulfil crucial social purpose roles in Australia as they seek to meet public needs in domains where business and public sector organisations are not able or willing to engage. NFP organisations address social disadvantage, civic awareness, community cohesion, education, employment, emergency relief, religious orientations, legal support, cultural heritage, biodiversity, artistic creation, sports, physical and mental well-being, research, and more.

With this diversity of purposes, services, and clients comes some ambiguity in defining the NFP sector. NFP organisations are distinctive institutions when compared to private and public sector organisations. NFP organisations exhibit enough commonalities, despite their many differences, to be represented, studied, and networked as a group[12,13].

This research follows the most commonly adopted definition by which *a not-for-profit is a legal organisation that does not operate for the profit, personal gain or other benefit of particular people*[14]. In addition, NFP organisations are institutionally separate from government, self-governing and non-compulsory. Importantly, a NFP organisation can make a 'profit', though such profits are not distributed to a set of directors, stockholders, or managers, but ought to be applied towards the organisation's purpose.

In Australia, the NFP sector is economically crucial: the 57,000 NFP organisations identified as economically significant employ over one million people (9% of the entire workforce), turn over about $107 billion per annum, and generate $55 billion to the GDP (4%), while more than 5 million volunteers additionally contribute an estimated $15 billion in unpaid work[2].

The fastest growing part of the Australian economy is the NFP sector: over the past six years it has grown at almost twice the rate of the mining sector[15]. To illustrate, 10,450 charities were established since the year 2000, a net growth of about 740 new charities per year[1]. The community-services sector has shown an above average jobs growth nationally[16], and is predicted to experience the most significant industry growth of about 4% per annum until 2025[17].

Australian NFP organisations employ over one million people, engage more than five million volunteers, and generate $55 billion toward the nation's GDP. It can be considered the fastest growing part of the Australian economy.

More generally, Australian charitable organisations (a sub-group of all NFP organisations that demonstrated their purpose is of direct public benefit) by measure of revenue are distributed as follows: about 67% may be considered small (<$250,000), 16% are of medium size (<$1m), and 17% can be considered large (>$1m). About 10% of charities account for 90% of both income and jobs; up to 30% of charities have very low income or may even be inactive[1].

Furthermore, the average age of Australian charities is about 34 years, though there is little correlation between organizational age and size[1]. In other words, there is considerable variability in size and capacity, and some charities appear to grow little, if at all, while others, including those established fairly recently, have developed rapidly.

Taken together, the Australian NFP sector is diverse and expanding, it substantially shapes the national organisational and economic context, and it provides vital and valuable services that generate the social fabric for an attractive and functional Australian society.

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key facts and figures

600,000
THE NUMBER OF NOT-FOR-PROFIT
ORGANISATIONS IN AUSTRALIA

$55 billion
HOW MUCH THEY CONTRIBUTE
TO AUSTRALIA'S GDP

9%
OF THE WORKFORCE ARE EMPLOYED
IN THE NOT-FOR-PROFIT SECTOR

#1
NFPs MAKE FOR THE FASTEST
GROWING PART OF THE ECONOMY

5 million
VOLUNTEERS GIVE THEIR TIME TO
AUSTRALIAN NOT-FOR-PROFIT CAUSES

$15 billion
THE ADDITIONAL WAGE EQUIVALENT
BY VOLUNTEERS' UNPAID WORK

EDUCATION
EMPLOYMENT
EMERGENCY RELIEF
CIVIC AWARENESS
COMMUNITY COHESION
SOCIAL INTEGRATION
CULTURAL HERITAGE
LEGAL ADVICE
FINANCIAL SUPPORT
BIODIVERSITY
SPIRITUALITY
ARTISTIC CREATION
WELL-BEING
HOUSING
RESEARCH
SPORTS

The level of understanding among the wider community of the sector's role and contribution is poor and deserves attention.

PRODUCTIVITY COMMISSION RESEARCH REPORT,
CONTRIBUTION OF THE NOT-FOR-PROFIT SECTOR

Challenging Times

Because and despite of their growing importance, Australian NFP organisations are increasingly challenged. They are ever more held accountable to deliver more and better quality services whilst being forced to adapt to heightened regulatory compliance and policy uncertainty, develop complex strategies, compete for limited resources and clients, navigate collaborations or mergers, seek balanced work load and fair pay, address multiple public and private stakeholders, manage shifting volunteer and donor preferences, and face increased costs and fiscal restraints[18–22].

To illustrate, recent changes in Australia include the government's budget and tax reforms[23,24], the National Disability Insurance Scheme Act[25], the uncertain future of the Australian Charities and Not-for-profits Commission linked to the shelfed Civil Society National Centre for Excellence[26,27]. Also, despite the overall growth of many NFP sub-sectors, NFP organisations are losing "market share" to for-profit firms in fields where both sectors are operating[28].

In addition, a key mechanism for many NFP organisations to enlist funding comprises donations and philanthropy[29]. Although 2014 has seen some outstanding philanthropic donations[30], giving in Australia constitutes about 0.57% of the GDP, which is significantly less than the philanthropic norms in the United Kingdom (1%) and the United States (2%)[31].

Importantly, the NFP sector does not operate in isolation, as it is affected by more general trends in the labour market, organisations, and society, including: economic volatility, increased globalization and mobility, ongoing developments in information and communications technologies, growing emphasis on measurement and data-driven decision making, organizational structures becoming increasingly complex and subject to change, issues that must be addressed through teams and collaborations, increasingly diversified workforce, employees who seek a broader mix of total rewards and growth, highly diffused and cognitively demanding work means and outcomes, and continuously changing job roles alongside reduced supervision[32–35].

Meanwhile, a shortage of skilled workers is one of the principal concerns for the foreseeable future[36]. Although many Australians are unemployed, thousands of positions remain unfilled as organisations cannot find the right people with the right skills[37]. In fact, 72% of Australian CEOs are very concerned about the availability of key skills and 45% consider talent to be a top priority[38].

As Australian NFP organisations seek to do well – and some clearly do – there is growing evidence that many are not sufficiently equipped to meet the upcoming challenges.

There is an increased global competition for talent, higher demand for specialized jobs, and a changing demographic of the current workforce with many skilled people about to retire and the new generation being more 'sector-agnostic'[39–42]. As a result, NFP organisations have to progressively compete with the public and private sector, hybrids, and start-ups to resource the talent and competencies needed for organizational success[43,44].

Relatedly, in 2009/10, the Productivity Commission examined how to maximise the Australian NFP sector's contribution to society[45]. Identified as a major impediment for the long-term viability of Australian NFP organisations was a lack of critical knowledge, skills, and abilities. Particular emphasis was put on the leadership, management, and governance capacity of NFP organisations: *"board members may lack the skills required to conduct their duties. Similarly, management in the NFP sector is often made up of service delivery employees looking for career advancement who may not necessarily have sufficient management skills."*

As Australian NFP organisations seek to do well – and some clearly do – the growing evidence suggests many are not sufficiently equipped to meet these challenges. Indeed, the majority of NFP leaders are pessimistic their organisations will be able to deliver what is expected of them[15].

Competence is Key

People are the very lifeblood of Australian NFP organisations, as reflected by 51% of budgets being spent on labour[2]. Much scholarly and applied research has demonstrated that human capital is a key source of competitive advantage, organisational performance, and economic value[46–49].

It is, therefore, not surprising that 3,330 business and HR leaders from 106 countries consider engaging and empowering their people as the #1 challenge[50]. For instance, a global study shows that work organisations which have strong capabilities in human capital management (e.g., attraction, motivation, development, retention of staff) enjoy better overall and economic performance than organisations that are weaker in those areas[51].

Another recent global study found that organisations that excel in leadership development, talent management, and performance management, for example, experience substantially higher revenue growth and profit margins[52]. These effects can also be observed for organisations in Australia[53], those that are just emerging[54], and importantly, which are Not-for-Profit[55].

None of this is surprising, these findings reflect the systemic influences of human resource management policies and practices that provide strategic levers for any organisation[56].

In other words, the ability of Australian NFP organisations to address many, if not most, of the pressing challenges – to achieve sustainability and create social change – hinges substantially on their people.

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Maximum performance occurs when peoples' competence is consistent with the needs of the job demands and organizational requirements[57,58]. The right knowledge, skills, and abilities make workers more effective in their jobs, which, in turn, facilitates organisational sustainability and success[46,59]. Even minor changes in productivity and performance can have significant impact on organizational efficiency and effectiveness[60].

There is a wide range of competencies across the Australian NFP sector, and there are enterprising organisations both large and small. However, given the challenging times, the Community Council for Australia, for example, argues that there is great need to improve both effectiveness and efficiency within the NFP sector by better leveraging its rich and existing assets. The Council argues that leaders have to "*make those assets work harder to better achieve their mission and resilience*". This may involve improving operations, outcome measurement, and risk management, as well as engaging in mergers and collaborations and social entrepreneurship, among others[20]. This view also shared by the National Roundtable of Nonprofit Organisations[22].

There is great need to improve both effectiveness and efficiency within the NFP sector by better leveraging its rich and existing assets.

COMMUNITY COUNCIL FOR AUSTRALIA

Indeed, recent research shows that innovative and responsive behaviours at Australian NFP organisations favourably correlate with the capacity to enlist funding[61]. However, such high performance does not occur in a vacuum[62]: engaging in those mental and behavioural shifts requires up-to-date knowledge, skills, and abilities. Arguably, a key reason why all those tasked to envision, strategize, lead, govern, manage, and implement change and innovation may not fully realise this potential is because they do not possess the required competencies.

For instance, research suggests that between 30 to 40 per cent of Australian NFP executives want to see a further improvement of their governance board's skills to foster chairmanship, risk management, and innovation. *"Our board struggles to be innovative really. [..] I want my board to challenge me – to give me ideas."*[21]

In the present research, the term *competence* is used as an umbrella label for any combination of interrelated cognitive, affective, and behavioural capacities, including factual and procedural knowledge, mental models, self-regulation, metacognitions, action routines, and personal qualities such, as values, beliefs, attitudes, motivations, and emotions[57,63,64]. Accordingly, any discussion about inadequate competence does not imply that there is a general lack of intelligence or motivation for problem solving in the NFP sector. Instead, the term *competence* is useful for a broader discussion about what individuals must be able to do, and how they should think, feel, and act related to work results.

Namely, the changing global and Australian context necessitates awareness and expertise of new concepts and complexity, alongside the ability to derive and implement sophisticated solutions that can differ markedly from what might have worked well just few years ago[65].

The changing global and Australian context necessitates awareness and expertise of new concepts and complexity, alongside the ability to derive and implement sophisticated solutions that can differ markedly from what might have worked well just few years ago.

Moreover, financial certainties, derived from steady (government) income streams have gone. Many NFP organisations are painfully realising that the 'hamster wheel' of chasing scattered and dwindling dollars is not working any longer.

Equally, as NFP organisations grow, they require more staff, funding, leadership, governance, partnerships, and professionalism in multiple functions[66] – all that quickly exceeds the passion, capacity, and dedication of the initial founders and supporters[67–69]. As a simple example, most Australian and New Zealand NFP organisations want to improve their website and make better use of social media[70]. Yet, many do not have the internal capabilities or discretionary funds to do that.

NFP endeavours command unique competence demands. A typical NFP organisation operates within a fragmented and complex system, comprising a governing board, community representatives, client base, contractual relations with government and business, volunteer and membership components, numerous funders, and service providers. It has been shown that those stakeholders require distinct management and leadership approaches[71–76], while the legal, technical, and operational features can be fairly idiosyncratic[77–79].

As an example, NFP directors (many of whom volunteer) require a wider range of skills than for-profit directors[80,81], including strategic campaigning and ability to work on multiple bottom lines[82].

Role clarity is crucial as NFP directors have to internalise the organisation's mission, and work out their role in achieving it[83]. Insufficient role clarity on the other hand can lead to inefficiencies, risk, and conflict between members of a governance board and the CEO.

Relatedly, people management skills have become ever more critical to mission success. Leaders confirm this, for instance: "*you're always, always, always fundraising and you haven't got much time and I think that people management is critical because they're not getting paid much and you need to really look after them.*"[74]

Accordingly, key competencies comprise knowledge, skills, and abilities with strategic impact and high variability in the performance of incumbents[84,85]. Investments in key competencies have the greatest potential to generate a significant return through increasing revenue or decreasing costs, representing an upside potential [49,86].

The configuration of such key competencies may differ between organisations. However, typical key competencies in the NFP domain include program and service design, outcome measurement and impact evaluation, enlisting funding, community outreach, advocacy and public policy, attracting and managing volunteers, to name a few.

NFP endeavours can command unique competence demands with distinct approaches for leadership, management, government, legal, technical, and operational features.

In sum, realising the essential organizational capabilities and key competencies requires more than dedicated people. There is evidence that those working and volunteering for Australian NFP organisations ought to become more adept at developing and managing new services, processes, and ways of doing things. There are also signs suggesting that the Australian NFP sector has to better leverage, and thus develop, the people it has and gets.

Consequently, attention must be given to capacity building strategies, activities, and resources that strategically strengthen the competence and confidence of the individuals, separately or as a group, so they can take effective actions and leading roles in sustaining and improving the delivery of the mission[87–91].

You're always, always, always fundraising and you haven't got much time and I think that people management is critical because they're not getting paid much and you need to really look after them.

NFP EXECUTIVE, MELBOURNE

Training and Professional Development

Training and professional development are key tools to systematically enable individuals and teams to meet the complex demands of a particular professional position or to successfully carry out complex work activities and tasks[92-94].

The terms *training* and *professional development* are used interchangeably to describe any formal learning episode that is intentional and organised by some entity other than the learner him or herself[95,96]. This comprises a large range of formal learning activities that may be provided by an external provider or in-house, set up as an extensive program or a condensed burst, delivered in a classroom or online, resulting in a recognised qualification or not. Typical formats include courses, classes, programs, workshops, seminars, and webinars.

Of course, other activities may also produce learning. In fact, accidental or informal learning experiences occur frequently and can be extremely valuable to individuals and organisation[97]. However, without proper organisational learning cultures and structures this type of unscheduled and often random learning can lead to waste of time and problems in the workflow. The focus of the present work is thus on formal training that accelerates the development of NFP key competencies.

More generally: training works. It leads to important benefits for individuals, teams, organizations, and society. These are the key conclusions by the two most comprehensive and recent reviews on the topic that integrate a wealth of robust, scholarly evidence from the past decades[95,98].

> *Training works. It leads to important benefits for individuals, teams, organizations, and society.*

Indeed, organisations that formalise their workforce development by means of structured policies, investments, tools, methods, and procedures have been found to outperform those who give less emphasis to such activities[51,99]. For instance, a study on the effects of strategic human resource management practices in the Australian health services sector (comprising both for-profit and not-for-profit organisations) found that comprehensive training correlated most strongly with perceived organisational performance (.49)[100].

Not surprisingly then, over 3,300 business and HR leaders from 106 countries consider the capability gap three times bigger and employee learning and development 25% more important than last year. In fact, 9 out of 10 state that building leadership capability at all levels has top priority[50]. Another global study of business leaders found that among their top ten people-related priorities are developing leadership, career models and competencies, and training and learning[52].

Importantly, training alone may not be able to realise its benefits if it is an ill prepared and isolated activity, disconnected from strategy and core functions, or the organisation is dysfunctional in other areas[95,101,102]. To illustrate, training has been found to positively affect reform implementation efforts, yet it had to directly close particular capacity gaps needed for successful reform implementation[103].

Equally, an extensive study suggests that the return on investment from leadership development interventions ranged from a low negative to over 200%[104]. Importantly, the science of training has come a long way[98,105,106], and one can expect a positive and substantial return on the effects of training on the basis that it is properly aligned, designed, delivered, and applied.

Trained staff can translate into various advantages for employers. Empirical research has consistently shown that training directly increases competence and in turn this results in better employee performance[107,108]. Furthermore, improved competence increases self-confidence[109], which also substantially contributes to the work performance[110,111].

Training further favourably influences multiple core mechanisms in the workplace[99]: greater job satisfaction[112,113], work engagement, loyalty[114], work-role flexibility, willingness to learn even more skills[115], organisational citizenship behaviour and smaller turnover[116]. For instance, recent findings show that development opportunities positively affect role clarity, organisational commitment, and intentions to stay for a sample of Australian volunteers[117,118]. These secondary, more intangible effects in turn have been shown to significantly improve an organisation's innovative performance[119] and client satisfaction[114], among other things.

In other words, training can produce more productive and well-rounded employees and volunteers by preparing them to better handle tasks and be successful in their roles. Training thereby positively influences a wide range of desirable features that help organizations become more effective and efficient in achieving their goals and objectives, resulting in higher productivity.

Economic and Social Implications

Research about the impact of training on individuals and organisations linked to the NFP context is limited, though the following accounts are noteworthy.

A random assignment study from the USA assessed the impact and causal link between capacity-building activities and observed changes in organisational capacity. Specifically, 237 NFP organisations participated in capacity-building activities and 217 NFP organisations did not, the latter thereby constituting a control group. The range of capacity building interventions comprised: training (e.g., development of leaders, staff, volunteers), technical assistance (e.g., individualised assistance), and awards (e.g., to fund equipment or consultants).

Those NFP organisations receiving capacity building assistance reported significant improvement on several measures of organizational development, program development, revenue, leadership development, and community engagement. Although the study did not set out to compare the relative importance of the various capacity building interventions, the largest effects were attributed to *"training, expanding program services, increasing evaluation expertise, and identifying new funding sources"*[120].

Another study examined the effects of training over 650 leaders associated with about 20% of the local branches of the umbrella NFP organisation Boys & Girls Clubs of America. The leadership development sought to enhance the ability to build an effective board, find and pursue effective revenue-development strategies, use an investor's mind-set toward programs and resource development, and lead with personal tenacity and persistence.

As each local organisation is accountable for its own resource development, strategic planning, programming, and fund-raising, these performance indicators were subsequently compared on the basis of being affiliated with leaders that were trained versus leaders not receiving the training. It was found that local organisations with leaders that were trained increased revenue (by growth in membership and funds raised) by about four times the cost of the program, including the imputed cost of the participants' time, as well as travel and training expenses[121].

There is further evidence that illustrates how investing in the development of leadership and human capital creates greater NFP organisations, mission impact, and social fabric[122,123]. Briefly, investing time and funds to realise sabbaticals has been linked to new perspectives on the part of the leader, the board, and the staff with regard to organisational vision, shared leadership, and skill development[124]. Fellowships that provided leaders with 360° reviews, business capability training, coaching and more, led to social research projects and output on topics including democratic culture, immigration, and scaling social innovation[125]. And developing leaders and establishing training for supervisors contributed to improved outcomes for beneficiaries such as foster care children and their families[126].

Professional development in the NFP sector can facilitate crucial individual and organisational outcomes, and this has been linked to the creation of economic and social value.

In summary, training and professional development in the NFP sector can facilitate crucial individual and organisational outcomes, and this has been linked to the creation of economic and social value.

An Unfulfilled Priority

Reports are scattered about the challenges associated with NFP employees and volunteers seeking to realise training and professional development opportunities. The following compiles and discusses what is known.

The Australian Scholarships Foundation provides free or discounted professional development opportunities to individuals working for Australian NFP organisations. Since its inception in 2008 through to the present, applicants have always exceeded the number of available scholarships by about a factor of 3. Particularly for programs relating to the development of leadership, governance, and innovation skills this oversubscription is often much higher. Although the number of scholarships awarded increased from a few dozen to over 600 annually, the overall demand has been growing at about the same rate. Accordingly, there appears to be a strong and consistent demand to access training and professional development in the Australian NFP sector, which is not met.

In 2007 workforce research among social service organisations in South Australia found that low pay rates and limited funding resources create significant barriers to realise training strategies both on and off the job[127].

> **Low pay rates and limited funding resources create significant barriers to realise training strategies both on and off the job.**

While surveyed organisations recognised the need to continually increase their staff skill levels, they felt hampered by the requirements to fund the training activity, the need to cover for staff undertaking training, and the potential subsequent higher pay implications for their trained workers.

Respondents' comments further illustrate these issues: "*funding bodies don't fund workforce development, only fund outputs based on direct client service provision*", and "*We have a 600km return trip to Adelaide to attend any relevant training. Also the costs are prohibitive and there isn't the funding in the budget. All our money is consumed providing the service.*"

The 2012 report on the state of volunteering in Australia declares that giving time is part of life across the country, and such commitments are growing. The report explains, "*this is not to say that every volunteering experience is positive or to dismiss that sometimes things do go wrong.*" Simultaneously it is argued, "*providing ongoing learning and development is central to supporting volunteers and excellence in volunteering.*" It was identified that volunteers and volunteer managers got limited access to training due to unreasonable distance to relevant training providers and lack of funding[128].

In 2015, research among NFP executives in Melbourne also concluded that leadership education is generally not accessible to them due to a lack of investment and support. It further notes that some opportunities exist to externally fund and access leadership education, though those are limited[74].

Undeniably, the learning options facilitated through the Australian Scholarships Foundation are testament to this, and further examples include small

We found that during 1992-2011, the annual average total support for nonprofit talent in the USA was 1.24 percent of grant dollars.

TALENT PHILANTROPHY, USA

scale flagship development programs by the Harvard Club Australia, the Westpac Bicentennial Foundation, and the Fulbright Professional Scholarship, among others. Anecdotal evidence also suggests that some NFP organisations prioritise and invest in developing their people, whilst some funders dabble with related grant schemes. However, all indicators point allude to those offers representing a mere drop in the ocean[129].

Evidence from the USA suggests that the proportion of grant funding allocated to training and professional development from 1992-2011, on average, was about 1.1%[130,131]. In other words, of every grant dollar made available, a mere $0.01 was directly designated to enhance the competence of NFP employees and volunteers. Meanwhile, the US-based Center for Effective Philanthropy considered developing and training staff a challenging issue and wanted more help from their foundation funders to address this[132].

Estimations from the USA further suggest that businesses spend on leadership development about four times as much per person compared to NFP organisations[133,134]. Indeed, of about 1100 young professionals in the NFP sector surveyed, just 15% reported that their organisations had received any form of funding for leadership development[135]. It is thus unsurprising that 7 out of 10 upcoming NFP leaders consider shifting into the private or public sector due to obscure or lacking career advancement opportunities[136]. Insufficient development opportunities (alongside less earnings and work long hours) accordingly promote an exodus of motivated talent[137,138].

Similar trends can be observed in the UK, where employees in the NFP sector have a significantly lower training budget when compared to their colleagues in the private sector[139], and at least one-third reporting they have no training budget at all[10]. Equally, research from Canada shows that employees in the NFP sector have the highest unfulfilled desire for participation in formal, job-related development[140].

Overall, it appears to be the case that funding bodies prefer to invest in purposes that have a direct and highly visible impact on the community. It also seems that many NFP organisations and decision makers are so highly focused on their prosocial mission, that investing in human capital is considered too costly, time-consuming and peripheral[141]. Although this type of resource allocation has been described as starvation cycle[142,143] and the underlying principles criticised as the 'overhead myth'[144,145], evidence suggests it prevails.

To illustrate, recent research on public perceptions of NFP costs in Australia indeed shows that the majority of donors considers the current 'overhead' ratio as inefficient[146]. Equally, the Australian Productivity Commission concluded that there is a perception in the NFP sector that "money spent on training is wasteful and makes organisations appear less efficient"[45].

Given the dire economic and social implications of the accumulated evidence, training and professional development in the Australian NFP sector may be considered an unfulfilled priority.

Given the dire economic and social implications of the accumulated evidence, training and professional development in the Australian NFP sector may be considered an unfulfilled priority. Against this background, however, little systematic knowledge exists on the discussed subject matter in the Australian context. The reported research begins to fill this gap.

Research Questions Findings

This Research

The information reviewed in the previous section highlights important relationships, issues, and tendencies. Yet, we actually know very little about the state, management, and effects of training and professional development in the Australian NFP sector. Information is scant and often limited to qualitative, comparative, and case study approaches[147].

Moreover, the knowledge that does exist about the great potential of strategic professional development is not given little attention. Evidence might not be convincing as long it does not directly relate to NFP organisations, specifically, in the Australian context.

Given that NFP organisations are often different from those found in the private and public sectors[12,13], there is a remit for systematic research with respect to workforce development and the effectiveness of training in the Australian NFP sector.

Further ignorance and failure to better describe and understand these important issues are a concern. Without robust research, managerial decisions, funding allocations, and policy making on human capital development remain hit-and-miss exercises that may be driven by myth, tradition, or particular agendas.

Accordingly, there is a need for ground-breaking research that can practically inform leaders, policy makers, scholars, and their conversations.

Based on above review, the theory of change[148] underpinning this research proposes that limited workforce competence inhibits the ability of Australian NFP organisations to achieve maximum sustainability and mission success. Engagement with and investments in training and professional development activities enhance the competence of NFP staff and volunteers so they can better realise their potential. This in turn improves individual and organisational effectiveness and efficiency, which have positive downstream effects on social impact.

The remit of this research was to approach the topic essentially from two vantage points. First, it took stock of current engagement with and issues of training. Second, it tested whether training systematically affects people, their organisations, and the purposes both serve. Thus, a broad lens to training and professional development in the Australian NFP sector was applied by examining both the individual and the organisational levels. The studies were not designed to evaluate a particular program or organisation, other work has done this. The remit was also not to focus directly on improving current policy or practice by developing and testing something new, as it was too early to do so. This research fills vital knowledge gaps by giving attention to the following research questions:

Research Questions

#1 To what extent is professional development evident in Australian NFP organisations?

#2 Is professional development systematically affecting Australian NFP organisations?

#3 Is professional development systematically affecting NFP workers?

#4 What is the multifaceted impact of professional development?

#5 What economic impact may be attributed to training?

#6 What are barriers for professional development in the NFP sector?

#7 What are the needs for developing NFP key competencies?

To answer these research questions, from 2012 to 2015, multiple studies invited more than 5100 people associated with the Australian NFP sector: CEOs, directors, finance administrators, lawyers, accountants, fundraising coordinators, as well as a broad range of managers responsible for operations, programs, strategic policy, communication, IT, partnerships, marketing, and human resources; among others.

Data was collected, often multiple times, from 2,867 individuals, a respectable overall response rate of 56%. Questions addressed a particular training experience, competence area, work situation, and/or organisational practices, policies, and performances. The Method & Analysis section of this report contains extended information on the employed methodology, sample, and analyses.

The following pages summarise the key findings associated with the seven research questions. The synopses are designed to be easily accessible, as they contain basic analytical information. The final discussion integrates these findings and offers suggestions for going forward.

Research Question #1

To what extent is professional development evident in Australian NFP organisations?

- -

Little information exists about the organisations and the people in the Australian NFP sector and their engagement with professional development. The scarcity of such baseline data is problematic as it constrains any issues to be identified and acted upon. This is a first exploration.

- -

Data from a representative sample of 303 Australian NFP organisations suggest that in 2014/15 they have engaged, on average, about **48% of all their members in at least one form of professional development.**

However, a high variability can be observed: organisations with small and large budgets and employee bases appear to engage their people in less professional development (~46%) than organisations with a medium-size employee base and budget (~58%). In the whole sample, there is a statistically significant, positive correlation (.22) between organisational revenue and the amount of professional development provided.

Different groups of organisational members also received varying exposure to professional development. The effects are particular pronounced for **directors and volunteers who experience far less formal development** (~40%), than middle and line management (~58%), and professional staff and upper management (~63%).

Tabulating the results suggests that organisations associated with different sub-sectors (as per ICNPO classification) provide different degrees of professional development to their employees and volunteers. It appears that **professional development is more evident in, for instance, organisations that address the environment and education**, as opposed to, religion and development and housing.

Depending on the sub-sector they belong to, different organisational members also receive varying degrees of professional development. To illustrate, staff and professionals in the environmental sub-sector have more developmental opportunities than other employee groups in the same or other sub-sectors.

The most regular development activities undertaken involve a set of more self-organised learning experiences: internal training using an internal facilitator, access to relevant literature, and on-the-job training. This is followed by more formal learning experiences: external training, seminars, and coaching. Hybrid learning experiences, such as conferences and job rotation are employed more often than online courses, special assignments, webinars, or tertiary programs. Mentoring and internal training that uses an external facilitator are least frequently utilised.

Further analysis shows that there is a statistically significant, **positive correlation (.37) between organisational revenue and the average frequency of learning activities**. It is also found that organisations with a revenue between 5-50 million realise more often learning opportunities than organisations with a smaller or larger budget.

Exposure to professional development by organisational size

	< 9	25	50	100	200	500	1000	> 1000		
ALL	38%	41%	44%	47%	63%	65%	34%	51%	**48%**	
Governance Board	32%	33%	34%	36%	50%	67%	32%	54%	**42%**	
Upper Management	52%	63%	68%	65%	70%	79%	41%	67%	**63%**	
Middle / Line Management	35%	49%	59%	61%	75%	67%	49%	67%	**58%**	
Staff / Professionals	48%	60%	66%	63%	72%	66%	52%	74%	**63%**	
Volunteers	39%	29%	38%	47%	46%	42%	29%	40%	**39%**	
Others	23%	18%	1%	10%	65%	69%	0%	3%	**23%**	

organisational size by employees & volunteers

N = 303

Frequency of professional development activities employed

N = 295

In summary, exploratory findings suggest that Australian NFP organisations and their people do engage in professional development. About half of the NFP workforce was exposed to at least one formal learning experience in the past year. **Development intensity is highly variable for different sizes and types of NFP organisations and for different organisational members.** There is a large spectrum of available professional development activities and it is employed with varying intensity. In some configurations, there may be very little exposure to professional development.

The reasons for this variation are not clear. It could be that certain organisational and individual groups have different preferences or needs. It may also be that they have different opportunities and resources to realise those needs. **Findings indicate that small NFP organisations are particularly challenged to realise professional development.**

Accordingly, professional development in the Australian NFP sector is a complex subject matter and future research and practice ought to consider creating a better understanding about what is happening, where, to whom, and why.

Exposure to professional development by NFP sub-sector

	Culture and Recreation	Education and Research	Health	Social Services	Environment	Development and Housing	Law, Advocacy and Politics	International	Religion	Associations & Unions	Not Elsewhere Classified	
47%	55%	52%	50%	58%	47%	32%	39%	34%	32%	44%	**ALL**
27%	37%	46%	37%	37%	49%	26%	10%	23%	2%	30%	**Governance Board**
58%	74%	61%	55%	53%	49%	42%	55%	43%	42%	56%	**Upper Management**
48%	60%	53%	57%	73%	52%	26%	51%	38%	42%	51%	**Middle / Line Management**
65%	65%	64%	62%	62%	58%	52%	53%	40%	42%	51%	**Staff / Professionals**
39%	40%	34%	40%	66%	26%	14%	26%	28%	n/a	34%	**Volunteers**

Not-for-Profit sub-sector (per ICNPO classification)

N = 303

Research Question #2

Is professional development systematically affecting Australian NFP organisations?

Based on extant theory and research, the central hypothesis of this study argues that human resource development makes workers more effective in their jobs and addresses workers' personal needs. Consequently, NFP organisations become more productive in their endeavour to facilitate social change. Those relationships can appear somewhat opaque and thus it is important to illustrate and test them in the Australian NFP context, for the first time.

Data about 697 Australian NFP organisations was collected through their senior executives, directors, and human resource managers. **They provided information and judgement on a large number of organisational practices and performance indicators** that subsequently formed a theory-driven regression model (regression coefficients presented in brackets). To enhance the generalisability, organisational size was controlled for in all analyses.

The data fully supported the proposed model. It is found that organisational human resource development practices and policies facilitate organisational competence and capability (.66), which in turn enable organisational performance (.73), and that **positively affects an organisation's social impact** (.69) All hypothesised relationships are positive and statistically significant ($p < .001$).

Analysis further supports both primary and secondary effects of human resource development practices and policies. Namely, favourable human resource development conditions indirectly affect organisational performance through directly enabling organisational competence and capabilities (.66). Favourable human resource development conditions also directly affect organisational performance (.31). It can be inferred that this path could represent a range of secondary effects not captured in the present study, such as staff retention, job satisfaction, work motivation etc., all which positively influence organisational performance.

Importantly, p**ractices and policies conducive to human resource development were found to have a strong, significant, total effect on an organisation's social impact (.55).**

In summary, these findings are valuable and confirm for Australian NFP organisations what has been found in the private sector and elsewhere. Namely, **human resource development works.** The results also suggest that the nature of the work that NFP organisations do makes them highly dependent on the competence of their people.

Those organisations that align and systematically facilitate the development of their human resources, achieve greater organisational competence and capability, and thus their performance. This subsequently positively affects the creation of social impact.

Effects of NFP organisational human resource development

Social Impact

+ .73

Organisational
Performance

+ .69

Organisational
Competence
and Capability

+ .66

+ .31

Human
Resource
Development
Practices
and Policies

N = 697, regression coefficients shown, p < 0.01

Research Question #3

Is professional development systematically affecting NFP workers?

Although extant research has demonstrated the positive effects that training can have on individuals more generally, there is little empirical evidence relating to the effects of professional development on NFP workers who are tasked to bring about social change. It was tested whether training interventions that address NFP key competencies systematically affect NFP workers.

This investigation is based on individual-level variables, as organisation-level variables are too distal to assess the impact of, for instance, a single person per organisation being trained. Individual-level features were thus considered as **intermediary outcomes in the training-performance-impact relationship**. The effects of training interventions on trained NFP workers were assessed.

First, several tests were conducted in a sample of members of Australian NFP governance boards that participated in a training scheme on legal obligations and accountability, risk and stakeholder management, and fundraising and sponsorship. In a quasi-experimental design, the group of 226 directors and chairs attending a one-day training was compared to a group of 161 NFP directors and chairs not attending the training. All individuals initially applied to access the fully funded training; however, number of applicants exceeded the number of available scholarships. This resulted in a 'treatment' group that received training, and a group of unsuccessful applicants that acted as a 'control' group, as they did not participate in the training. Scholarships were awarded primarily based on a consideration to offer the training to as many different NFP organisations as possible around Australia. Accordingly, before the training intervention there was no systematic difference between the training group and the control group. Comparing them on a range of lead indicators over time thus allowed attributing potential differences to the participation in the training program.

Findings (chart 1) show significantly **higher levels of role clarity** about six months after the training for the training group when compared to the control. Role clarity in governance situations is vital to ensure directors and chairs are clear of the responsibilities and expectations this role brings and the function of the board[149]. This ensures that critical tasks relating to, for instance, financial oversight, legal obligations, and strategic direction, are undertaken, whilst not conflicting with the duties of the CEO and other leadership personnel.

Further findings show significantly **higher levels of self-confidence post training** for those directors and chairs that were trained when compared to those who were not (p < .01). Self-confidence describes a person's cognitive-motivational resources for goal achievement. This belief about being able to perform is a key ingredient for decision making, taking charge, and performance[110,111,150].

In addition, for individuals that were trained, the gain in role clarity was found to significantly predict the gain in self-confidence (.52), though this was not the case vice versa[151]. That is, the training did not merely produce an increase in declarative knowledge, but also **enhanced the participants' understanding about their role, which affected how they think and go about their capacity to properly act out their board duties**. Taken together and more generally, training NFP board members about their roles, responsibilities, and potential challenges is fruitful.

Second, a similar study examined the effects of a series of social impact measurement and evaluation trainings that took place in several major cities in Australia. Specifically, over two days 61 NFP workers were trained in the concept and application of the Social Return on Investment (SROI) method. In addition, 79 comparable NFP workers who were seeking to attend this training in the future were recruited to act as control group. Findings (chart 2) show significantly **higher levels of self-confidence for employing the SROI-analysis method to measure and evaluate the impact of a service or program** about four weeks after the training for the training group and when compared to the control group.

Another evaluation was conducted for a similar one-day course that sought to train principles of Outcome Measurement. The trainee group comprised 63 NFP workers, there was no control group. Findings (chart 3) about three weeks after the training suggest a **significant increase for competence-clarity and self-confidence** as they relate to adopting Outcome Measurement at work.

Governance role-clarity before and after training (chart 1)

I have clarity about my roles inside the boardroom.

I have clarity about the role of the regulatory authorities in the NFP sector.

I have clarity about my leadership function as director.

I have clarity about criteria for measuring NFP impact and achievements.

I have clarity about the role of the board.

I have clarity about potential issues facing the board with respect to funding and sponsorship arrangements.

I have clarity about my roles outside the boardroom.

I have clarity about associated stakeholders and stakeholder management strategies.

I have clarity about how to deal with difficult governance situations.

I have clarity about potential personal liability as director.

I have clarity about the duties and responsibilities as director.

N = 387   – – – Learner before training   —— Learner 6 months after   – – – Control before training   —— Control 6 months after

SROI-analysis self-confidence before and after training (chart 2)

3.60
3.50
3.40
3.30
3.20
3.10
3.00
2.90
2.80
2.70

before training   4 weeks after training

N = 140   —— Learners   —— Control

Outcome measurement competence-clarity & self-confidence (chart 3)

I understand what outcome measurement is.

I see how outcome measurement can be helpful.

I know about some best practices for outcomes measurement.

I know about resources and templates that assist in outcomes measurement.

I am aware of different approaches to go about outcomes measurement.

I can develop an outcomes measurement framework for a program or organisation.

I can implement an outcomes measurement framework.

I can report findings from outcomes measurement to stakeholders.

I can manage outcomes measurement activities that are important.

I can identify or develop outcome measures for a program or organisation.

N = 63   – – – Learner before training   —— Learner 3 weeks after

Third, 49 NFP executives participated in a three-day, case study-based strategic leadership program. Before and after the training they were assessed on a set of program-specific competence-clarity dimensions and their self-confidence to adopt respective means at work. Findings (chart 4) four weeks after the training suggest that the group of trained NFP executives significantly **increased their understanding and ability beliefs** toward implementing NFP strategy.

Fourth, a random sample of 100 NFP workers responded to a series of questions about 100 days after they attended a training intervention. Training access was facilitated through the Australian Scholarships Foundation, the trainings provided by multiple vendors around Australia, and the training interventions covered a broad array of competencies: social media engagement, risk management, positive leadership, search engine optimisation, financial analysis, managing innovation, motivating performance, online marketing, business planning, copywriting, strategic branding, human resource management, mentoring, conflict management, negotiation, among others. Findings (below) suggest that **the majority would recommend their training experiences, regularly applies their new knowledge and skills, and that the trainings affected practices and policies at work.**

In summary, professional development activities geared at NFP key competencies can have systematic positive effects on those individuals being trained. Those trainings activities evaluated did significantly increase NFP workers' clarity for a given role or competence and their self-confidence to go about these new capabilities more successfully. It can be argued that **observed changes lead to changes in behaviour, performance, and social impact.**

69%
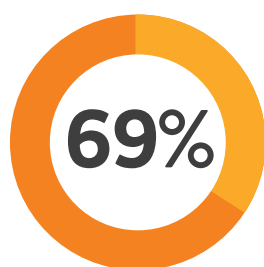
apply their new knowledge and skills once a week or more

N = 100

92%
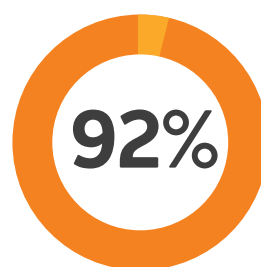
would recommend their training experience to someone else

83%
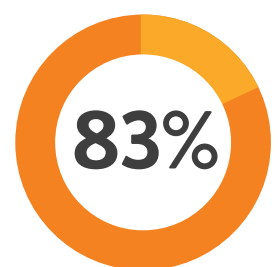
attest that the training encouraged discussion of new practice or policy

Strategic leadership competence-clarity & self-confidence (chart 4)

1. I understand the mechanisms that align volunteer-generated services with market demand.

2. I understand the idiosyncrasies relating to for-profit production and unpaid, volunteer-generated services.

3. I understand how to evaluate the fit of a new service being offered.

4. I understand how to create a culture that helps both the delivery of the customer value proposition and improves employees' work experiences.

5. I understand how to create, promote, and manage a social brand over time.

6. I understand principles of a social marketing campaign.

7. I understand the differences in performance metrics between for-profit and non-profit enterprises.

8. I understand what is involved in due diligence processes of a funder investing in social enterprises.

9. I understand the concept of Social Impact Bonds and how they work.

10. I understand how my organisation would have to structure impact investing.

11. I can expand my service offering to achieve sustainable growth.

12. I can collaborate with brands.

13. I can attract talent and volunteers in the current environment.

14. I can achieve a differentiated service offering that provides a fundraising advantage.

15. I can overcome the obstacles standing in the way of meeting those strategic objectives.

16. I can gain followers' commitment to change and pursue these strategic goals.

17. I can define strategic priorities for where the organisation should be heading.

18. I can devise a sustainable strategy for my organisation.

0.00   0.50   1.00   1.50   2.00   2.50   3.00   3.50   4.00   4.50   5.00

N = 49   - - before training   — 4 weeks after training

Research Question #4

What is the multifaceted impact of professional development?

There is a lack of understanding about the actual effects professional development has on the people employed at Australian NFP organisations and the purpose both serve. Impact narratives provide rich perspectives and make explicit key actors, processes, critical events, and utility.

Between 3-12 months after NFP workers participated in one of a broad range of trainings, they were asked to **narrate an array of key learnings**, their attempts to apply those, and the effects of these actions. Of 215 completed surveys, 142 (66%) provided an impact narrative.

A machine-learning algorithm was subsequently used to automatically extract concepts and themes from the natural language data of these impact narratives. The ensuing semantic map visualises frequently observed concepts and their relationships via a network tree structure. By virtue of their close proximity to one another, the concepts can be said to be logically related to each other. The coloured theme circles aid in the systematic interpretation of the broader semantic relationship between these concepts. The tags **Learn, Apply, Impact** provide further order of these elements, whereby the arrow signifies the unfolding of the impact narratives.

The emerging themes suggest that trained NFP workers use **learned "knowledge", "skills", and "ways"** to understand "approaches", "stakeholders" and "doings". This subsequently influences meetings and planning activities, for instance relating to "strategy". It also affects the "management" and "resources" at work, as well as "roles" and "services" of the organisation. Dimension of time and day also emerge, **as in time "saved" for "staff"**. Multiple network paths connect to dimensions of impact and performance, such as "change", "engagement", "financial", "helped", and "clients", among others.
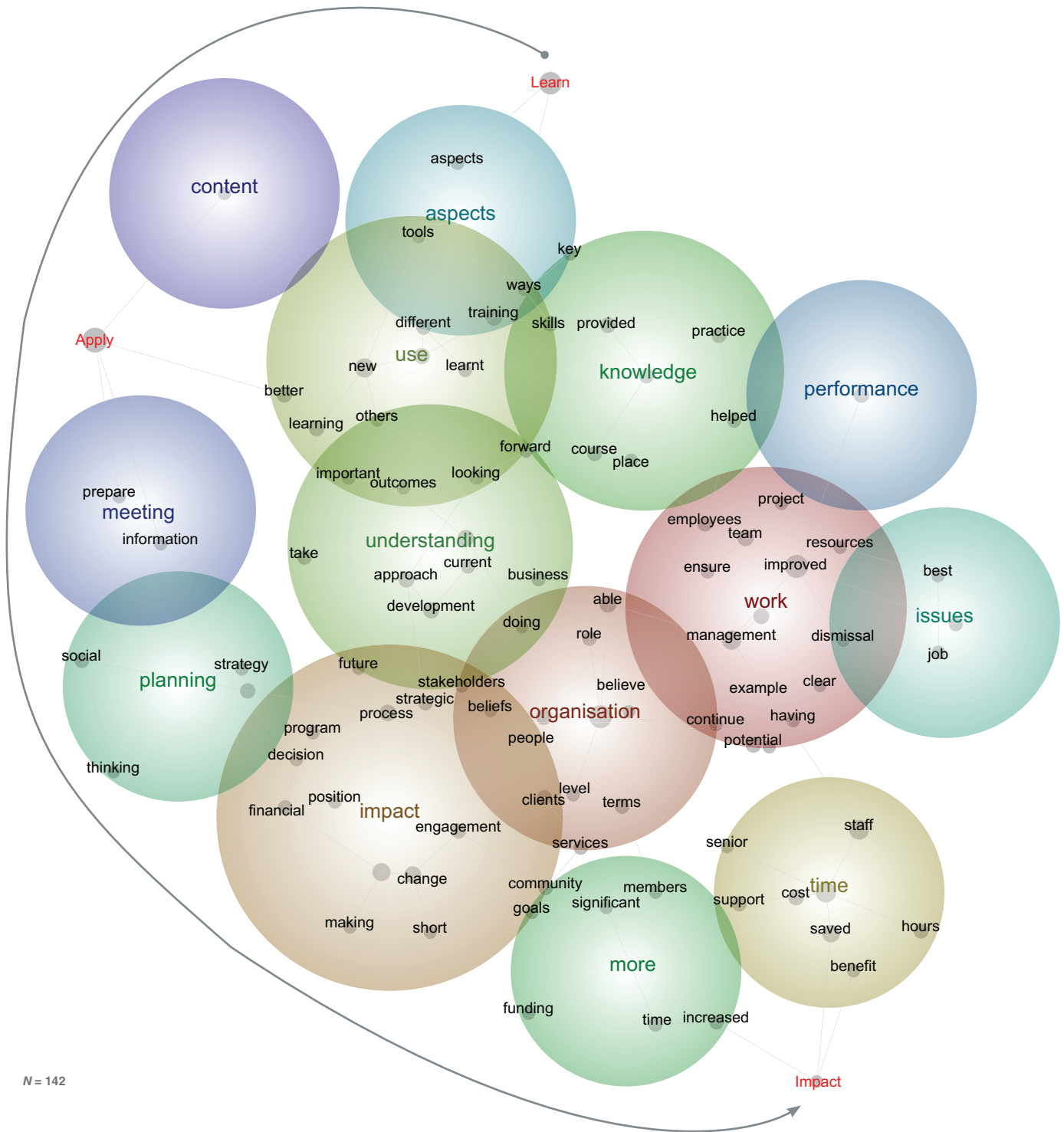
By further analysing the rich data contained in the impact narratives, **a plethora of benefits** are attributed to the professional development, including: achieving more goals as individual and organisation, **recovering budgets**, higher job confidence, giving guidance, defining new roles, identifying knowledge gaps, establishing legitimacy for actions, **enabling future decisions**, supporting staff selection, allowing to train co workers, adding community awareness, saving time, enhancing well-being, **increasing funding**, enriching staff communication, **initiating strategic thinking**, attracting volunteers, and more.

A range of impact narrative snippets is listed next to illustrate the verbatim data behind these aggregate findings. Longer case studies are provided in the following People, Cases, Impact section.

In summary, the impact narratives provide a more complete and explicit picture, and thus meaningful insights on an individual case basis about the nature of the effects of the training. Most respondents narrated multiple positive effects the training had for them, their organisation, and the purpose they serve. **The vast majority of impact narratives provided reflect multifaceted, positive, and often powerful outcomes** that are attributed to the professional development experience.

Moreover, the systematic analysis of these concepts and their relationship support the 'theory of change' that lies behind human capital development. Namely, **training links to gains in knowledge, skills and abilities, which in turn facilitate better individual outcomes, that eventually affect organisational and social change.**

Semantic map of training effects

Learn

content

aspects

aspects

tools

key

ways

different   training   skills   provided   practice

use   learnt   knowledge

Apply   new

better   helped

learning   others   forward   course   place

important   looking   performance

prepare   outcomes

meeting   take   understanding   project

information   current   employees   team   resources

approach   business   ensure   improved

development   able   work   best

doing   role   management   dismissal   issues

social   strategy   future   believe   job

planning   stakeholders   beliefs   organisation   example   clear

strategic   continue   having

process   people   potential

program

decision

thinking   position   level

financial   impact   clients   terms   senior   staff

engagement   services   time

change   community   members   support   cost

goals   significant   saved   hours

making   short   benefit

more

funding   time   increased

Impact

N = 142

"*The knowledge that I gained in the course has now become part of my overall knowledge. I feel that the Director course added to my knowledge and gave me the confidence to speak up on whether matters were being dealt with properly or appropriately and, in fact, how they should be dealt with.*"

THE NOT-FOR-PROFIT BOARD, ATTENDED IN 2012

"*It changed how I deal with emails. I feel slightly better about my workload; have been more focused on tasks related to work goals and personal goals. I feel I have been less distracted from the real work since. I have been able to work more effectively, adding at least 1/2hr to my day - which is 10% of my time, and worth at least $350 per week.*"

TIME AND PROJECT MANAGEMENT, ATTENDED IN 2014

"*Helps to build our audience and increased our brand awareness. The advice I kept in mind when posting and planning, immediately resulted in donations and in volunteer recruitment.*"

FACEBOOK POWER STRATEGIES, ATTENDED IN 2014

"*I now write the organisation's fundraising plan with new emphasis on the mix of programs, the talent and resources available and the reason we are in business. Look at the organisation with a new perspective. Also look at what we are good at and focus on being really good at it; look at what we don't do so well and be comfortable about that. Look at the set of choices that position the organisation to achieve superior results over the long term.*"

STRATEGIC NFP MANAGEMENT, ATTENDED IN 2014

"*Since the course I have been finding and researching articles that relate to our mission and aims and post these onto our Facebook page. This has built our impact in the community and spread the word about our charity and purpose. The Twitter account is also active and I am getting feedback from that as well, we gained a lot of supporters.*"

SOCIAL MEDIA, ATTENDED IN 2013

"*The copy writing for websites and emails is now more engaging, resulting in more sales, already $1,000 saving by not using a professional copywriter.*"

COPYWRITING FOR BUSINESS, ATTENDED IN 2014

"*Highly practical advice, immediately applicable to my role. Be brave. Have the difficult conversations. Hold people to account. Became more active in acknowledging and rewarding the high performers, and weeding out the low performers. Greatly improved ability and willingness to address underperformance, and to encourage high performance in those with the will and the capability. Increased productivity of mediocre performers. Exit of one under-performer, replaced by someone working at a much higher level, for the same salary. Approx. gains/savings $50,000pa*"

LEADERSHIP INTENSIVE, ATTENDED IN 2013

"*Since and due to the HR training, we have kept an injured worker at work completing modified duties, rather than him being off work on compensation payments, which also would affect his wellbeing, the productivity at that work site, and the state's insurance premium. It's also saved us considerable time having all the advice ready at hand, and no need to seek legal support if the staff relationship crumbled. I would put a flat rate on this of $5,000 but expect to make plenty more savings in the years to come.*"

HUMAN RESOURCE MANAGEMENT FOR NFP, ATTENDED IN 2014

"*From the information received the organisation is now able to work out its own plan in how to recruit directors via selection criteria and skill sets without engaging consultants to prepare the recruitment plan – a saving of consultants fees of at least $5,000.*"

ACCOUNTING FOR NFP CONFERENCE, ATTENDED IN 2014

"I now understand how the Adwords program operates and keep this in mind whenever working on our website. I also shared the knowledge with the team so that we all have a clearer understanding of how the program works, no one has had to spend hours working out what the program is and does etc. This saved about 5 hours of staff time in understanding the program and when our new site is operational, I will apply for a grant to increase clients and income generated."

ADWORDS MARKETING, ATTENDED IN 2014

"I used my training to develop and implement a governance review for a large not for profit organisation. [..] The governance review provided an avenue for reflection and development of an action plan. The board was re-engaged on strategic intent, oversight and roles of Directors. The governance review of the board and subsequent actions resulted in closer oversight of financials and business results – which brought the organisation back from the brink of being insolvent."

THE NOT-FOR-PROFIT BOARD, ATTENDED IN 2011

"I learned about HR issues, and gained the confidence that my existing knowledge was sound and well founded. We now apply HR procedures consistently across the staff and management, running more smoothly with clearer processes and consistent messages. This saves my time, 1 hour per week ($30/hour), approx. $1560 per year."

HUMAN RESOURCE MANAGEMENT, ATTENDED IN 2013

"I now understand the fundamentals of robust evaluation strategies. My role involves engaging with the community sector procurement reforms in Western Australia and supporting organisations to adapt to these changes. The training has equipped me with the knowledge to engage in the development of outcomes based tendering. My employer benefited from having a Manager with improved understanding of evaluation strategies and concepts and this was clearly reflected in the work I produced as well as engagement with other stakeholders."

SOCIAL RETURN ON INVESTMENT, ATTENDED IN 2013

"Learned about managing employees with non-work related injury/illness and applied this to two specific employees who have been off since May: one with depression, the other with a potentially terminal illness. Both indicated they wish to return to work and the training helped me prepare for the conversations and medical process with them. By bringing back one of the employees off unpaid leave, it has saved in the payroll cost of using other employees potentially at overtime rates or agency staff at inflated rates to cover his shifts."

HUMAN RESOURCE MANAGEMENT, ATTENDED IN 2013

"My relationship with managers has changed over past weeks, since completing the training. I am more articulate in my requests of managers and their staff and I now outline clear goals that they will be measured on. More planning and time is now used to think about the problem and the solutions that I want. Planning is then put in place with the HR Manager to ensure that it is appropriate and I am being fair and reasonable. Managers now have a clear expectation of what I want from them. I also use timelines and measurement of achievements of achievements. Less ambiguity and playing the nice guy for everyone has meant that we are all clear on the desired outcomes. Savings on HR/IR outcomes of at least $10k to date."

LEADERSHIP FOR SENIOR EXECUTIVE WOMEN, ATTENDED IN 2013

"This learning supports and is integral to the overall integrated marketing communications plan and reporting at both efficiency and effectiveness level. Google statistics and reporting are fundamental to our overall dashboard of reports to measure and monitor key efficiencies and operational goals. Overall, this was a very short, sharp and relevant training for us to roll out an online shopping experience. Keeping costs down whilst building our organisational capacity in the key area of online analytics."

GOOGLE ANALYTICS 101, ATTENDED IN 2013

Research Question #5

What economic impact may be attributed to professional development?

Quantifying the economic impact of investing in people has proven to be a formidable challenge. This is particularly the case when seeking to establish findings that generalise to the broad spectrum of Australian NFP organisations, its heterogeneous workforce, and their vast range of competencies. The following represents an exemplary cost-benefit estimation for a capacity building scheme in the Australian NFP sector that utilises professional development.

Governance boards have tremendous responsibility and can have substantial impact on the weal and woe of an organization[21,152]. A large scholarship program thus enabled hundreds of Australian NFP directors and chairs to attend a one-day professional development course at no cost to them[153]. The actual costs of this training were $1,200 per participant.

Between 6-12 months after the course, trained board members were invited to narrate an array of key learnings, their attempts to apply them, and the effects of these actions. Subsequently they were asked to 'quantify this impact by converting it into monetary benefits for the organisation'. Given that behaviours and decisions stem from both existing and newly trained competencies, each respondent also had to indicate the degree to which the impact s/he described can be directly attributed to the training received (0-100%).

Estimations based on 243 responses from trained NFP governance board members suggest that **the economic impact of each scholarship, on average, can be valued with a factor of +6.** That is, for each dollar spent on the training there has been a positive return of about six dollars that can be attributed to the gain in knowledge and skills from the training, and the resulting behaviours, decisions and their flow on effects on the organisation and its mission success.

Respondents also articulated what they learned and how the training affected them, their board, the organisation, and the overall purpose. Similar to the analysis of research question #4, a machine-learning algorithm was applied to automatically extract concepts from those natural language impact narratives.

There was a range of primary effects attributed to the training: **increased profit, enlisted new funds, set strategic direction, removed and appointed CEOs, re-configured board makeup, decreased costs, saved time, and mitigated risks.**

Secondary effects attributed to the training included more role clarity, greater governance scrutiny, enhanced risk management, improved communication among directors and CEO, more efficient meetings and governance processes, shifted duties from operational management toward strategic governance, and oversight. A few commented that the training mainly confirmed that they are already on a good path, and thereby **reinforced self-confidence and constructive actions**. Several impact statements also related to multiplying the investments in and effects of the training by eventually sharing the newly gained knowledge with fellow board members.

Taken together, the majority (66%) of respondents claimed that the training substantially contributed to **empowering the right people--others and themselves--to do the right things right.** In some cases, the training was reported to have nil impact (7%) and in others to have had an impact that is multiple times larger than the cost of the actual training. As any analysis, the estimation is based on a range of calculations and assumptions, explained next.

Complete responses were collected from 243 trained board members (43% response rate). All impact narratives were manually coded. About 16% reported a positive impact with concrete economic estimation, 50% reported a positive impact without concrete economic estimation, 27% indicated insufficient ability or elapsed time for not providing such economic estimations, 7% reported no effect had taken place, and there were no reports about any negative effects because of the training.

A key assumption is that the cases studied are representative, thus findings are generalizable across the training cohort. Those cases that provided economic estimations do not systematically differ from those cases that did not complete the survey or completed the survey but did not provide economic estimation and commentary. Therefore, features such as organisational size, sub-sector, or an individual's governance experience did not noticeably skew the available data, suggesting a random sample of those cases that were used in the analysis. Additionally, the quantitative findings summarised under Research Question #3 suggest that this training course did systematically affect the entire cohort and so provide further support for the overall economic impact estimations also applying to the cohort more generally.

Concerning the economic impact reported, many respondents provided a direct explanation: "There has been a monetary benefit of a rise of $50,000 in fundraising." Others provided some calculation to derive their figures: "We now have shorter board meetings: 2 hrs x 10 directors x 10 meetings per year = 200 director hours at $400/hour. This equals about $80,000 of savings each year." If estimations were reported in a range (e.g., "between $50-100k"), then the mid-point was chosen (i.e., $75k). When estimations referred to a period greater than 1 year, these figures were normalised to a 'per annum' basis (e.g., decision affected by course led to extra $2million for the next five years = $400,000 per year). Finally, the economic figures were held against the attribution made toward the direct effect of the training. For instance, if a respondent reported an impact of +$100,000 and attributed 50% of this impact to competence gained through the training, then the relative impact accounted for would be $50,000.

For the cases that did report estimations (23%), there is substantial variance in the reported economic impact **ranging from $0 to $2,2million**, and attributions to the training between 0% and 100%, leading to an arithmetic mean of $128,611 and with a standard deviation of $383,443. This variance suggests that many cases present a unique configuration between trained board member and organisation. Therefore, the median was calculated: $7,500. The median separates the higher half of the economic impact estimations from the lower half, thereby mitigating the effect of extreme values to skew the arithmetic mean. It thereby represents a more conservative measure.

Employing the median as central estimate and dividing it through the costs of the training ($7,500/$1,200) results in a **return per dollar factor of about 6.25 for the first year post training**.

It is important to note the findings relate only to the training described, the competencies it sought to establish, and the cohort chosen through the scholarship selection process, comprising mainly board members who did not yet have a comparable learning experience. The following considerations thus occur outside the boundaries of this data. That is, although the longer term effects have not been assessed and some trained board members may forget what they learned or exit NFP governance altogether, it is fair to say that others will continue to reap the benefits of this training, and thus further contribute and benefit their organisation and its purpose. Conceivably this kind of a training could benefit many, if not most, directors and chairs of Australian NFP boards. However, by extending the same training to all members of a given governance board, there may be diminishing returns due to increasing saturation of particular competencies.

The quantitative and qualitative findings suggests that the specific capacity building scheme described did have a systematic positive impact and that there are positive direct and indirect economic benefits to respective organisations and their stakeholders, such as clients and funding partners, and the purposes all seek to address.

More generally, capacity building schemes seeking to enhance key competencies will have the largest impact if strategically aligned with the diverse needs of Australian NFP organisations and distribute associated learning experiences wisely amongst those most in need and able to convert that investment for realising social change.

Semantic map of training effects

N = 243
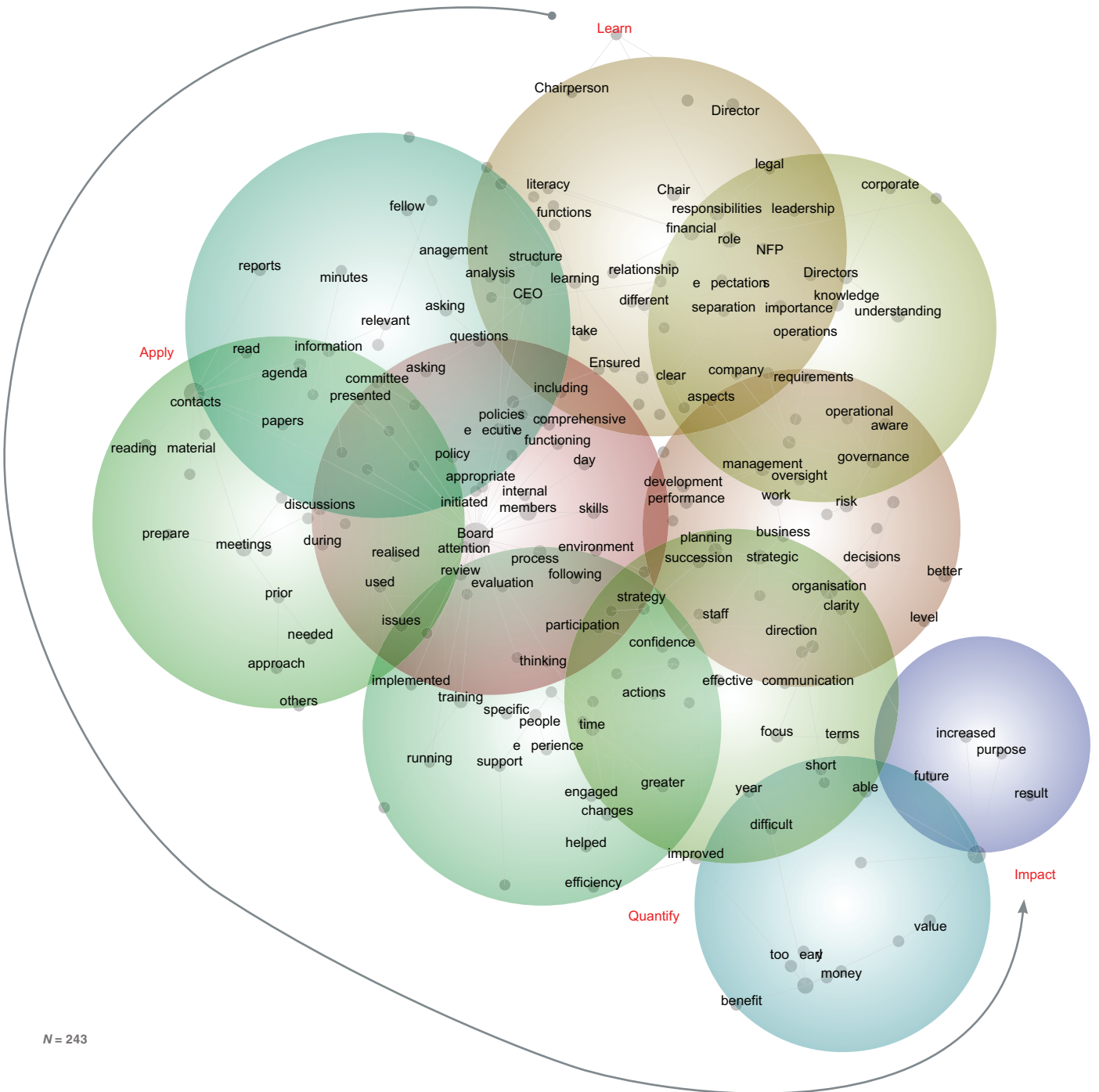
Research Question #6

What are the barriers for professional development in the Australian NFP sector?

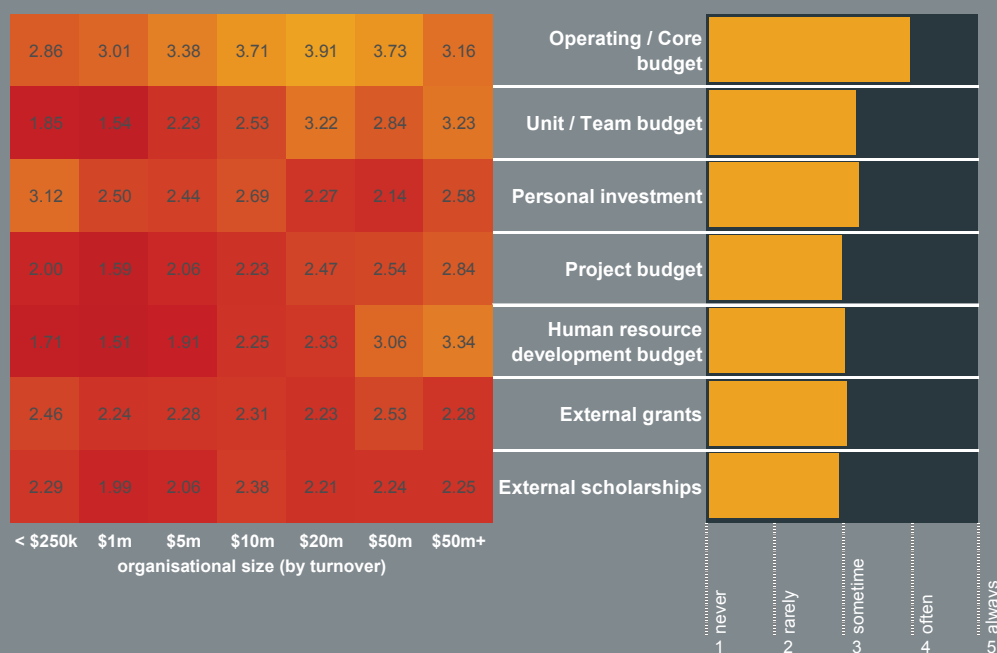- -

Some evidence suggests that a range of different barriers may challenge NFP workers who seek to engage in professional development, though systematic information is lacking. This is a first exploration of what might hinder Australian NFP workers to upskill.

- -

400 NFP executives, directors, and managers were inquired about the typical funding sources used for human resource development. On average, all but one of the funding sources were characterised as "rarely". The operational core budget is the only funding source employed "sometimes", and **no funding source is used "often" or "always" to develop people**. The available data does not allow discerning whether the dominance of the operational budget is a function of it being designated for these professional development costs or 'the money must come from somewhere'.

Findings suggest that, on average, **most NFP organisations do not have or access a designated budget for human resource development**, the exception being those organisations with substantial revenue (>$20m). Relatedly, small NFP organisations (<$250,000) fund professional development mainly through personal financial investments.

Significant positive correlations are found for organisational revenue and accessing professional development via the operational budget (.18), project budget (.30), team budget (.41), and designated human resource budget (.44). That implies that l**arger NFP organisations appear to have substantially more discretion in allocating funds to workforce development than smaller NFP organisations**.

Typical sources for funding professional development

< $250k	$1m	$5m	$10m	$20m	$50m	$50m+		never 1	rarely 2	sometime 3	often 4	always 5
2.86	3.01	3.38	3.71	3.91	3.73	3.16	Operating / Core budget					
1.85	1.54	2.23	2.53	3.22	2.84	3.23	Unit / Team budget					
3.12	2.50	2.44	2.69	2.27	2.14	2.58	Personal investment					
2.00	1.59	2.06	2.23	2.47	2.54	2.84	Project budget					
1.71	1.51	1.91	2.25	2.33	3.06	3.34	Human resource development budget					
2.46	2.24	2.28	2.31	2.23	2.53	2.28	External grants					
2.29	1.99	2.06	2.38	2.21	2.24	2.25	External scholarships					

organisational size (by turnover)

N = 400

Responses from 100 training scholarship recipients indicate that the vast majority (94%) would not have had the opportunity to enrol in their program without the scholarship. Potentially this finding might be driven by a self-selection bias, as those respondents, who experience a higher need to obtain funding are more likely to apply for a scholarship scheme. However, when surveying a universal sample of 100 executives and managers in the NFP sector who were not associated with a scholarship scheme, **the "lack of financial resources" and "too much work and no time" were identified as the primary barriers to engage with professional development.** In fact, 33% of those executives and managers have no access to a designated budget for their own professional development. Similar finding emerged from a survey of 100 NFP directors who also identified insufficient financial resources as the primary barrier for professional development, as 64% of them had no access to a professional development budget.

33% of NFP executives have no access to a designated development budget (*N* = 100)

Other notable challenges include a deficit of relevant course offerings, impractical locations/ remoteness, lack of organisational or managerial support, and uncertainty about personal professional development needs. In addition, **organisational size and revenue significantly and negatively correlate** with a "lack of financial resources" (-.21) and positively correlate "with too much work and no time" (.16). In other words, whilst both challenges appear to be prevalent across the NFP sector, **smaller organisations appear more challenged by the lack of financial resources, and larger organisations appear more challenged to provide the timez and support required for professional development.**

In summary, **the lack of money and time appear to be the prevailing barriers that hold back the Australian NFP sector and its people from engaging with professional development** activities. Smaller NFP organisations appear particularly prone to the financial challenges.

94%
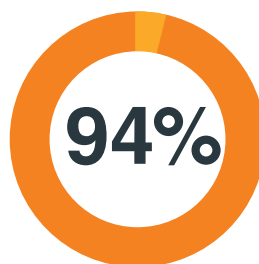
of NFP workers would not have had the opportunity to enrol in their respective training program without a scholarship

Barriers that challenge further NFP professional development

LACK OF FINANCIAL RESOURCES
TOO MUCH WORK / NO TIME
PERSONAL REASONS
RELEVANT COURSES NOT AVAILABLE
MY GEOGRAPHICAL LOCATION
LACK OF MANAGERIAL SUPPORT
UNCERTAIN WHAT I NEED
UNSUPPORTIVE ORGANISATIONAL CULTURE
ALREADY STUDYING
DID NOT HAVE THE PRE-REQUISITES
LACK OF NECESSARY SKILLS

N = 100

Research Question #7

What are the needs for developing NFP key competencies in Australia?

Currently no comprehensive framework exists that allows estimating the presence of and need for key competencies in the Australian NFP sector. The profound absence of such information inhibits systematic capacity building. This is a first exploration to chart the perceived importance and distribution of NFP key competencies development needs across the Australian NFP sector.

429 executives, managers, and directors representing their NFP organisation allocated a fictional budget of $100,000 to 14 key competencies. Proportional allocation of funds was stratified by organisational size and organisational purpose (as per ICNPO).

Overall, findings highlight the following **competencies as ordered by importance** assigned: leadership, strategy, outcome/impact measurement and evaluation, program/service design and implementation, governance, and management of resources and stakeholders.

Financial management and non-profit accounting, talent development and skills, fundraising principles and practices, advocacy and public policy, risk management and legal issues, organisational culture, attraction and retention of people, and volunteer management follow this.
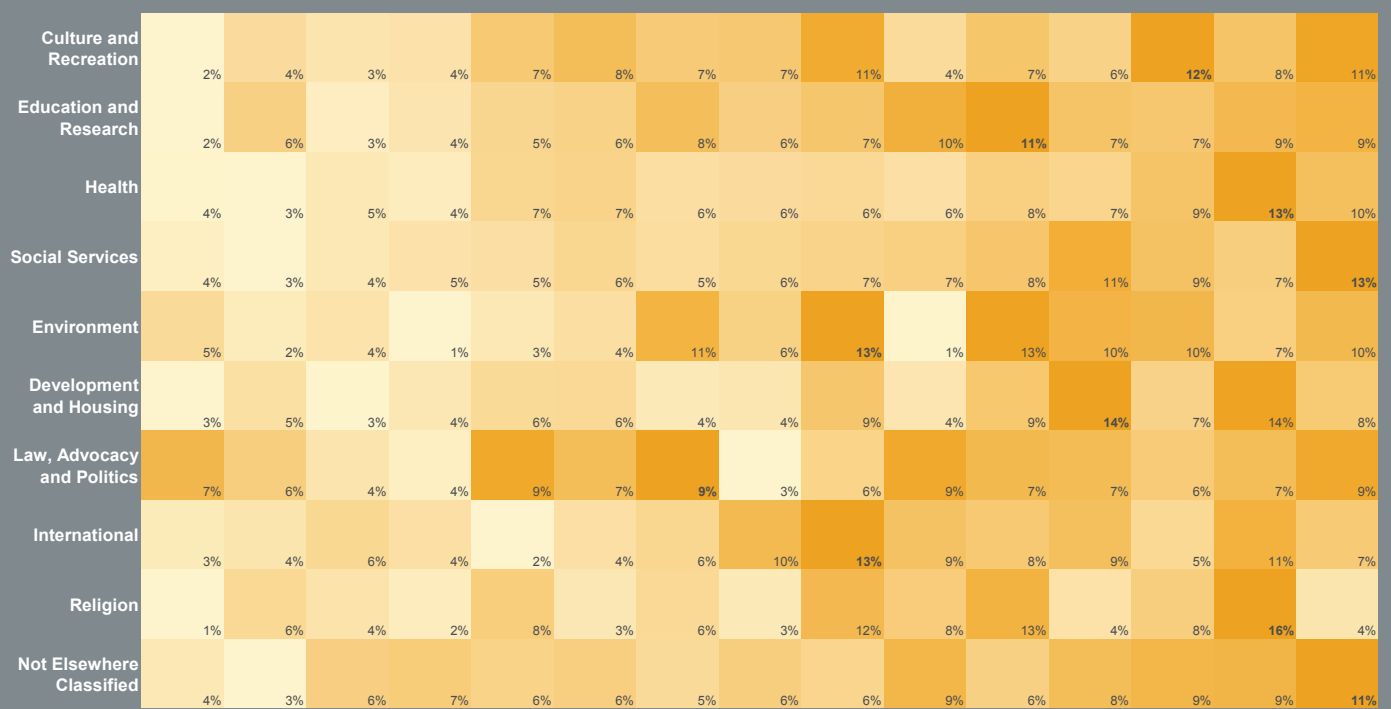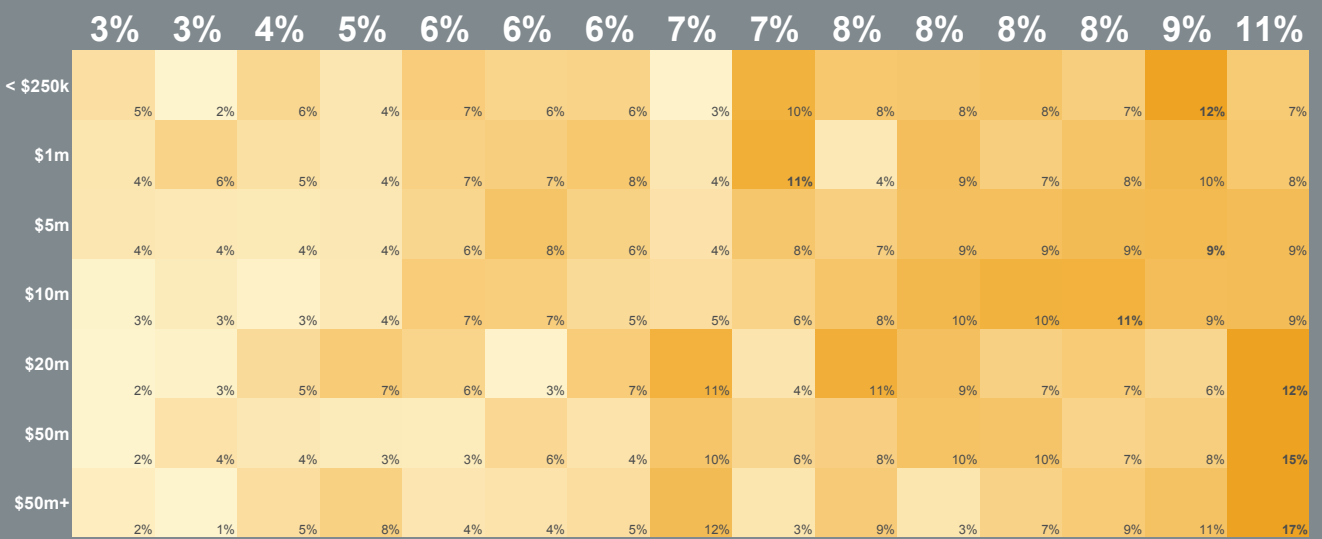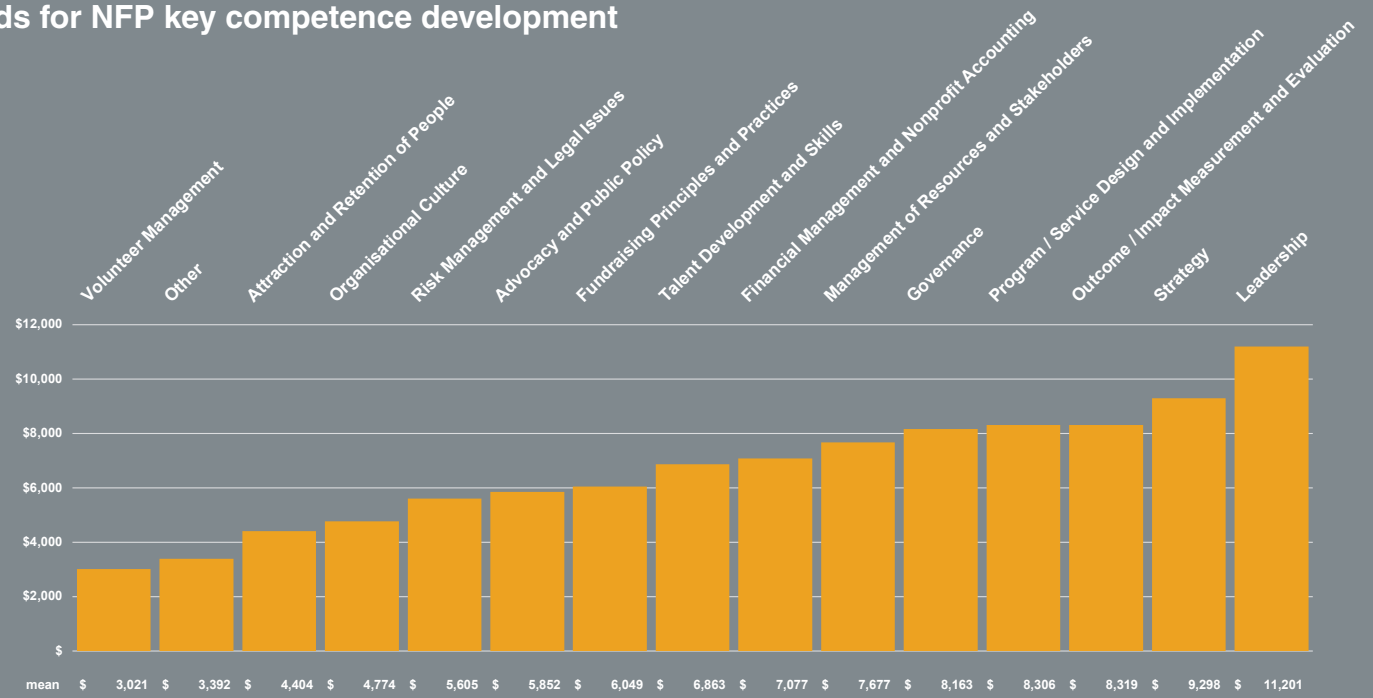
Detailed analysis suggests **areas of importance are related to organisational purpose**, for instance, social services prioritise leadership development; culture and recreation organisations seek to develop impact evaluation competence; and the development and housing domain gives precedence to competencies of program and service design and implementation.

Although leadership development is considered a priority for most, it appears particularly important for larger NFP organisations. In comparison, smaller NFP organisations appear to have higher needs for developing more competence related to strategy.

The findings suggest that **there are different skill demands for different groups of organisational members**. The findings also support the case for a leadership deficit in the Australian NFP sector, and the need for more strategic competence to steer NFP organisations into the right directions and operations. They overall show that there is significant variation regarding the sought key competencies in the Australian NFP sector.

This first exploration infers that it is crucial to consider what is needed, where it is needed, and for whom, or else activities may be seriously out of alignment with the actual requirements. To inform policy makers, training providers, funders, and other NFP stakeholders, **a large national study is required** to generate more granular data to be better stratified by state, sub-sector, employee level etc.

Needs for NFP key competence development

Competences (left to right): Volunteer Management · Other · Attraction and Retention of People · Organisational Culture · Risk Management and Legal Issues · Advocacy and Public Policy · Fundraising Principles and Practices · Talent Development and Skills · Financial Management and Nonprofit Accounting · Management of Resources and Stakeholders · Governance · Program / Service Design and Implementation · Outcome / Impact Measurement and Evaluation · Strategy · Leadership

mean	Volunteer Management	Other	Attraction and Retention of People	Organisational Culture	Risk Management and Legal Issues	Advocacy and Public Policy	Fundraising Principles and Practices	Talent Development and Skills	Financial Management and Nonprofit Accounting	Management of Resources and Stakeholders	Governance	Program / Service Design and Implementation	Outcome / Impact Measurement and Evaluation	Strategy	Leadership
$	3,021	3,392	4,404	4,774	5,605	5,852	6,049	6,863	7,077	7,677	8,163	8,306	8,319	9,298	11,201
%	3%	3%	4%	5%	6%	6%	6%	7%	7%	8%	8%	8%	8%	9%	11%

By revenue size

	Volunteer Management	Other	Attraction and Retention of People	Organisational Culture	Risk Management and Legal Issues	Advocacy and Public Policy	Fundraising Principles and Practices	Talent Development and Skills	Financial Management and Nonprofit Accounting	Management of Resources and Stakeholders	Governance	Program / Service Design and Implementation	Outcome / Impact Measurement and Evaluation	Strategy	Leadership
< $250k	5%	2%	6%	4%	7%	6%	6%	3%	10%	8%	8%	8%	7%	12%	7%
$1m	4%	6%	5%	4%	7%	7%	8%	4%	11%	4%	9%	7%	8%	10%	8%
$5m	4%	4%	4%	4%	6%	8%	6%	4%	8%	7%	9%	9%	9%	9%	9%
$10m	3%	3%	3%	4%	7%	7%	5%	5%	6%	8%	10%	10%	11%	9%	9%
$20m	2%	3%	5%	7%	6%	3%	7%	11%	4%	11%	9%	7%	7%	6%	12%
$50m	2%	4%	4%	3%	3%	6%	4%	10%	6%	8%	10%	10%	7%	8%	15%
$50m+	2%	1%	5%	8%	4%	4%	5%	12%	3%	9%	3%	7%	9%	11%	17%

By sector

	Volunteer Management	Other	Attraction and Retention of People	Organisational Culture	Risk Management and Legal Issues	Advocacy and Public Policy	Fundraising Principles and Practices	Talent Development and Skills	Financial Management and Nonprofit Accounting	Management of Resources and Stakeholders	Governance	Program / Service Design and Implementation	Outcome / Impact Measurement and Evaluation	Strategy	Leadership
Culture and Recreation	2%	4%	3%	4%	7%	8%	7%	7%	11%	4%	7%	6%	12%	8%	11%
Education and Research	2%	6%	3%	4%	5%	6%	8%	6%	7%	10%	11%	7%	7%	9%	9%
Health	4%	3%	5%	4%	7%	7%	6%	6%	6%	6%	8%	7%	9%	13%	10%
Social Services	4%	3%	4%	5%	5%	6%	5%	6%	7%	7%	8%	11%	9%	7%	13%
Environment	5%	2%	4%	1%	3%	4%	11%	6%	13%	1%	13%	10%	10%	7%	10%
Development and Housing	3%	5%	3%	4%	6%	6%	4%	4%	9%	4%	9%	14%	7%	14%	8%
Law, Advocacy and Politics	7%	6%	4%	4%	9%	7%	9%	3%	6%	9%	7%	7%	6%	7%	9%
International	3%	4%	6%	4%	2%	4%	6%	10%	13%	9%	8%	9%	5%	11%	7%
Religion	1%	6%	4%	2%	8%	3%	6%	3%	12%	8%	13%	4%	8%	16%	4%
Not Elsewhere Classified	4%	3%	6%	7%	6%	6%	5%	6%	6%	9%	6%	8%	9%	9%	11%

N = 429

People

Cases

Impact

The following pages present 12 rich impact narratives told by NFP workers undergoing training and their reflections on the learning experience and its consequences.

About 6-12 months post training respondents were asked: (1) What aspects of the training contributed most to your work? (2) How did you apply what you have learned? (3) What impact did these actions have for the organisation and its purpose? (4) Please try to quantify this impact by converting it into monetary benefits for the organisation or the purpose it serves.

The narratives have been chosen from a larger pool based on being illustrative, logical to follow, and diverse about the NFP context and competencies addressed. The narratives are presented in verbatim without further interpretation, only spelling and grammatical errors have been corrected, and identifying informati0n has been removed to protect anonymity.

IMPACT NARRATIVE 1. CEO, DISABILITY SERVICES (SA). LEADERSHIP DEVELOPMENT.

All aspects of the training contribute to my work! Some of the key themes I reflect upon daily include: the importance of leading from behind when developing teams, knowing when to pause, ruminate and consolidate. I learned about the principles of a strong mind and how to be an uncompromising version of myself. I was reminded throughout the training that the more time you spend practising distraction, the better you become at distraction. For me an ongoing aspiration is to master the art of distraction and improve my ability to stay focused. 'What are we here to do' is a saying I use at the beginning of every staff meeting. The ultimate goal for me as a leader is to do my best, always operate with integrity and to be perceived as a safe pair of hands.

From the moment I started the training I was forced to look inward. I have spent time exploring my own leadership style and thinking more intensely about the impact my approach has on others. This reflection is ongoing as I continue to observe myself and look for ways to improve my style and approach. In terms of insights to do with strength of mind: I am constantly checking my responses to ensure I have let go of the security of the team and I am stepping outside group norms to think what others won't. I am acutely aware of operating with integrity and know that it doesn't always feel strong to be strong. I continue to share my insights with others in our team and gain immense joy watching them taking on board those aspects that are meaningful to them, which often creates a positive ripple effect across the organisation.

The impacts are difficult to express in a short paragraph, as there are so many. One small example is as follows: We established a Project Team who was tasked with developing and implementing a new system and intranet across the organisation. Previously, I would have led the team and been the key driver given the investment - no questions asked. Following the leadership program I purposely stepped back, led from behind and encouraged the project team to be innovative even if that meant making mistakes (within reason). During the project, I watched them learn to master failure faster than ever before. By stepping back and leading from behind I watched the team excel and realised that previously my enthusiasm to get the job done in the shortest timeframe for lowest cost actually potentially cost more in the long run. The project has been finalised and while it took a little longer, I can see the team is now more confident to make decisions. I have a high level of trust and staff seem to come to me with solutions most often rather than only problems.

I learned to let go and trust only stepping in and taking control as needed. As a NFP, we are tasked to do more with less in an ever-changing marketplace. The work we do and the decisions we make affects the lives of so many people living with a disability and their families. Our product is people and our goal is to change lives. It's a big job and a big goal! Never has the role of leadership been more critical as we navigate major sector change under the NDIS.

Personal development for our leaders is key and step one is ensuring we are self-aware and working on our own shortcomings. We MUST act with integrity at all times. We oversee a range of individual support and manage taxpayer funding. We are responsible and accountable to entire communities and must do the best we possibly can at all times. The role of innovation in the way we lead has huge impacts.

In terms of converting this into monetary benefits, one small example is as follows: by ensuring staff are focused, innovative in their problem solving and confident to get on with the job there is a significant cost saving. For instance, our administrative overheads account for around 10% of operating costs. Within the NFP sector, it is not common with many organisations carrying administrative overhead costs from 15% to 35%. I am sure you can imagine the additional service offerings we can provide to people with that cost savings alone. Furthermore, we have experienced 450% growth in two years, which has created a hunger for leadership at all levels as we evolve and transform.

IMPACT NARRATIVE 2. DIRECTOR, HEALTH CARE (NSW). GOVERNANCE TRAINING.

Clarity about the overall role of a functional Board, the role of the chair and individual directors. This included, for example, the difference between good oversight of an organisation and having an operational focus. This is important for me, as I am a director of three quite different organisations, one of which is very young and is still emerging. My understanding about the knowledge and work necessary to perform effectively as a director, particularly in regard to financial management of the organisation has been significant.

The training has also made me think very carefully about other director positions offered and the responsibility required to do a good job – hence I have not taken on any more whereas once I may have done so out of a desire just to help out and that's a good decision for the organisation who has a right to effective directors and myself.

Broadly speaking I have paid more attention to the financial aspects of the businesses (all NFPs) and certainly have developed much more confidence to ask questions about all things finance rather than rely only on the good work of the finance and audit committee. This has also meant I was able to provide more informed strategic thinking and advice about decisions "to or not to" withdraw from or recommend resolution of an associated organisation on the brink of insolvency. I would not have been able to contribute to the same degree prior to undertaking the training.

My improved capacity to contribute to strong and appropriate decision-making by a board using the one example above has directly increased overall board capacity. As a consequence the board feels the correct decision was made and this saved the organisation money, reduced the risk of an association with insolvency, and importantly redirecting the overall strategic approach to some aspects of the business, which will benefit the organisation and its clients. Indecently, another board colleague undertook the same training and has been able to confidently contribute to a higher degree.

This [monetary estimation] is a difficult one; certainly, the direct monetary benefit of $50,000 a year in membership fees will make a difference. However, the resulting shift in some strategic planning will mean the growth of the international aid work of the business, although not the organisation's core business, through a direct relationship with the Commonwealth government will be important at a number of levels over time.

IMPACT NARRATIVE 3. CHAIR, POVERTY RELIEF (NSW). HUMAN RESOURCE MANAGEMENT TRAINING.

[I learned about the] appreciation of some of the stresses that people could be experiencing at work, especially in busy NFP Organisations. Appreciation of ways that I could apply my mentoring and counselling skills, to minimise these potential stresses.

So far, have set-up an 'open-door policy' when I'm at the Office, and have had several support sessions with part-time, and one with full-time Staff. Staff members appreciating that they're not alone in the organisation - I'm available as an independent arbiter, from the CEO and Board of Directors.

As yet, no repetition of last year's Workers' Compensation claim (or even getting close to it), which although unfounded (as far as the Board could see), was 'proven' as being due to 'unreasonable expectations' from the Staff member in question (who has since left, on amicable terms) - however, it gave us considerable cause for concern. Happier, more enthusiastic Office - new challenges being met (perhaps 50% potential improvement in cost-effectiveness).

IMPACT NARRATIVE 4. CEO, DRUG TREATMENT (ACT). EXECUTIVE LEADERSHIP.

I have been involved in a very large collaborative tender and developing a partnership where we can add value to the relationship beyond the scope of the tender. My approach to collaboration was improved by the use of my advanced negotiation skills and the Positive Leadership approach, which focuses on the strengths to improve work place culture rather than including development for addressing deficits.

We are going through some significant restructuring and using the positive leadership approach, we are finding the change management process is embedding a new culture. Understanding my strategic markets and how they are evolving. Considering different aspects of governance and management and how I can apply some of the learnings to the planning and implementation processes.

I spoke with my management team about some of the key learnings from the course and have adjusted my approach in the way that I relate and work with them. I have changed the way I approach working with commercial partners and other NFP stakeholders in relation to creating value-adding partnerships beyond the scope of the intended project. I have changed the way that I have framed strategic innovations as well as strategic markets with the Board and staff and looking at how we can embed a culture of innovation with some time investment. I have spent some time with the management team looking at who are our emerging markets are.

It is too early to tell what the long term impacts are, however, I can see a subtle shift in culture with staff, particularly managers, to a more genuine strengths based approach (rather than deficit focus). Our staff are beginning to understand that there are other client groups seeking to access our services, which need some focus on development. This is important as our clients are people with health issues and the sector is moving towards a user pays approach so understanding user wants/ requirements and any potential new users is important for the future to remain competitive.

These actions are having an impact on the way the Board is viewing the strategic direction of the organisation and potential business models not just the same business as usual of the past 35 years. A rough estimation of the impact is that firstly we have saved some funding that may otherwise have been lost in the next twelve months if we had not changed our cultural approach - savings of around $1.5 million. We now also have the potential to gain some additional ground with new markets to the value in the short term, next 2 years of around $550,000, (our total budget is $4million). Quite significant!

IMPACT NARRATIVE 5. CEO, CARE & WELL-BEING (WA). NFP HUMAN RESOURCE TRAINING.

I have a sharpened awareness of the need for good documentation, the need to follow best practice guidelines (no matter what). That it is possible to send employees to see a doctor of the organisations choosing if there has been a work place injury and that in fact communication with the treating doctor is part of a safe return to full duties after an injury/illness, even if it is not what the employee wants. That it is wise to have a "return to work coordinator", which in our small organisation would be me. That as an employer we need to shoulder some hardship. Extra performance review is also required at this time. Termination is only possible if the person cannot perform the "inherent" aspects of the job.

Recently I have had several complaints of workplace conflict causing distress. As a manager, I then had to respond to these concerns. I applied the principles that I learned, that is I investigated the concerns with each party by holding a meeting with them and making meeting notes. I then

asked the two parties to meet with me to discuss these concerns. Because of the training, I felt more confident to respond to whatever the outcome of the meeting was, and I was aware of how important it was to follow process and document that process. From the combined meeting each party could voice their feelings and concerns, and we made an action plan to address the issues, and scheduled a follow up meeting. While this was confrontational, I felt more comfortable to address this issue.

I believe that what could have been an unsolvable problem because the personalities involved where described by others as so "big", was identified, documented and responded to which then deescalated the issue. Both parties were able to continue working and no time was lost. Previously people were coping by going home "sick". I believe that this has left the organisation in a better place to continue serving the community that we are funded to support.

First, saving in lost time due to absenteeism – i.e., 2 staff members regularly taking at least 1 day off per month due to "stress/not coping" = $29/hour plus 25% on costs x 7.5hours = $271.87/ person/month = $6525 annually. Second, if the problem escalated to a workers compensation claim for 1 person, on average off for 3 months due to stress = (wages could be claimed through insurance, however premiums then go up), the rest of the team is disrupted and has to work harder to cover the missing person, morale goes down. If someone leaves the organisation, recruitment cost is at least half of the annual wage of the position required. In this case = $30 000.

IMPACT NARRATIVE 6. DIRECTOR, FOUNDATION (SA). GOVERNANCE TRAINING.

One of the simple messages that came out of this course for me was the responsibility of the Board to drive the strategy of the company. I was part of a brand new Board of a recently incorporated organisation over a decade old.

The other aspect was that it made me acutely aware that I had so much to develop in terms of understanding the financials to a greater degree, especially as Chair. I struggled to keep up with the tutor in this aspect, and admired the depth of understanding of a handful of participants in the room.

This course was the first time I questioned how much the Board was actually developing the strategy. As a Board, we stepped up after my course in this area, purely from my awareness. Sounds simple, doesn't it?! We have since gained an excellent balance here between Board and Management in driving the strategy.

To improve my understanding of financials and other aspects of governance I attended another course. Between these two courses, I draw on the knowledge and apply them 3-5 days a week. Even today, when I re-wrote the Director's Duty Statement.

This [economic impact] is difficult to measure. An example: the Board completely pulled back the Management generated strategic plan and brought it into a more mission-aligned plan with comprehensive risk assessment included.

Regarding finances, we brought in a Treasurer for our small Board, and this has seen many positive changes beneficial to our organisation, including a far better investment return for our cash.

My development as a Chair is part of many things, including this course. It also coincides with a growing organisation, growing in programs, clientele, funding and governance professionalism. It coincides with the recruitment of very able Directors and staff, and indeed their promotion within the organisation.

IMPACT NARRATIVE 7. MARKETING OFFICER, HOUSING SERVICES (WA). MARKETING TRAINING.

The practical aspects. I have used the resources provided in the course and applied this to the organisation, such as measuring the brand equity, conducting word association exercises, looking at strength/favourability and uniqueness of the brand compared to competitors.

Stepping back and assessing the current key messages communicated through the marketing materials and now looking at them through the stakeholders lens has been very useful and I have begun to keep this messaging in mind in all new materials I create. I learnt that the consistency of the message is very important, you can't be all things to all people, and you must choose your points of difference and constantly communicate these messages to build up your brand image.

I was able to measure the brand equity of the organisation. This is something that has been not done before and people were very enthusiastic to be involved. I am also able to use the principles learnt when making advertisements and marketing materials. It has helped me to focus on the key message and be consistent. I have also used the Brand report card manager toolkit to assess areas we are going well on and others that need work. As our organisation has a number of logos/brands I have been able to look at them more objectively and analyse whether the brand is successful or not. From what I have learnt, I don't believe the brands provide much uniqueness to the mother brand. My recommendation to my workplace is to build and focus on the mother brand first, and then look at developing sub brands once the main brand is a leader in the marketplace. Otherwise, it makes in confusing to people about what we stand for.

It has provided a more strategic outlook and direction for the brand. This is turn enables us to deliver on our mission to support, serve and empower people most in need. The executive team has shown interest in the project and will be notified of the final recommendations.

The practical activities I learned in the course I will be able to use on an ongoing basis. I would not have had access to this kind of training otherwise as it is quite specialised. Normally a not-for-profit would outsource brand equity measurement to a consultant. The fact that I know the skills to be able to do this as an internal staff member is a great asset to the organisation. To pay a consultant to do the same work would cost thousands and thousands of dollars.

IMPACT NARRATIVE 8. DIRECTOR, YOUTH SERVICES (WA). GOVERNANCE TRAINING.

There are two standout areas. Financial management is the first; I have certainly been able to understand financial reports far better since doing the course. Secondly, I have a better understanding of the different processes, policies and procedures that can be used to ensure a Board runs effectively, and have initiated discussions with our Chair to work towards developing these documents.

I was able to take the principles for good governance and the trainer's fantastic anecdotes and experiences and compare those to what my Board currently has in place. I now have a much better understanding of the big picture, and where we're both doing well, and falling short. As a result, I've been able to apply some of the skills in conflict and change management from the course to initiate discussions to tackle the areas, and we're working towards filling in some of those gaps this year.

It's early days, but we're working towards having a really sound governance structure and system, which will lead to a stronger organisation, as well as meeting our strategic goal of having an effective and transparent Board. In the short term, this will lead to more clarity for Board Members and Staff about their roles and policies that guide their work, as well as ensuring all of our compliance requirements are met.

There are two ways to look at this, in terms of the volunteer hours required for the Board Members to research and produce the required documents themselves, or the cost of hiring a contractor to do the work. I haven't got any experience in hiring contractors so I can't make a guess in that area, but I would say that we've easily saved around 30-40 hours of research time between the knowledge and skills I've gained and the resources provided through the course.

IMPACT NARRATIVE 9. MANAGER (QLD). EXECUTIVE LEADERSHIP DEVELOPMENT.

I found learning about different personality types particularly my own has contributed most to my work. I can now quite quickly discern what a colleague's personality type is and how to temper my way of working to fit better with that colleague. I can also see how my personality type is viewed/received by others.

My NFP NGO has recently had its core government funding cut. This has resulted in redundancies and a concerted lobbying campaign. I was able to offer much better support to those staff who had been made redundant. Having already gained an insight into their motivation and way of working when I immediately finished the training I had already gleaned what was important to them and how to appeal to them. I could more actively listen and be a lot more patient with individuals than I normally would be.

I also needed to motivate and support the remaining staff to continue to lobby for funding to be restored. Again, the insights I gained armed me with the tools I needed to reach these staff and inspire them to stay task driven.

None of the staff leaving the organization needed outside support or drew on our support services to help them adjust. All seemed satisfied with the information they had received and were able to move on albeit sadly.

The remaining staff need continual reassurance but are displaying resilience and purpose in the completing the job ahead. The organization saved on the costs of having support services employed to assist staff make the transition to redundancy. It also saved the cost of recruiting consultants to assist with lobbying we were able to use existing staff even though lobbying isn't their area of expertise.

IMPACT NARRATIVE 10. EXECUTIVE ASSISTANT, CONSERVATION (SA). HR TRAINING.

The real-life examples make the theory of termination/unfair dismissal come to life and help put the knowledge learned into the real life experiences in my work place. The real life examples provide a "cautionary tale" and help me think through the actions and potential consequences of different options.

I have been able to apply the knowledge to dealing with a couple of employees and helped their immediate managers to not make knee-jerk reactions but to instead work through the situation in a methodical and risk-free manner. Being armed with the practical knowledge and having had the real-life examples helped me to save the organisation from racing an undue risk in the area of termination and unfair dismissal.

In another scenario, it is helping me to work through how to deal with an employee who has been on WorkCover for a couple of years, whose payments will soon cease, and how to manage his potential return to work when he will continue to be unfit to ever perform his usual duties, or termination. The information received during the training gives me confidence and enough knowledge to know what questions to ask and what possibilities are available for consideration.

We potentially saved the direct and indirect costs of unfair dismissal claims. The indirect costs are staff time spent documenting and preparing to fight a claim. The direct costs potentially could have been additional payments to be made if we had dismissed one or two individuals and they had made gains during a mediation. I don't have a specific calculation for these amounts.

IMPACT NARRATIVE 11. DIRECTOR, YOUTH SERVICES (WA). GOVERNANCE TRAINING.

I was particularly interested in the financial accountability training. I had trouble reading financial documents, however after going over my notes, I am now fully across reading statements in accrual.

The tips over increasing Board responsibility, and ensuring that the Board is not weighing down the EO with administrative tasks, has also paid dividends to the way I operate on the Board.

As a result of my advocacy, the Board has now taken full responsibility for the auditing process. Previously, the EO was managing communications and reviewing the information; now the Board has engaged a firm directly in preparation for later in the year. I have also managed to secure a casual administrative assistant, who is responsible for the Board's admin. This has taken enormous pressure off the EO, who was previously spending too much of his time assisting us with governance than on operations. We have also finally moved over to accrual accounting, at my urging, which has made it much easier to keep track of the finances. These are basic, but important, changes to the organisation.

These impacts have freed up the capacity of the EO, and placed greater responsibility with the Board. From my observations, Board Members feel more able to assert problems and discuss them in detail with both other members and the EO. We also refined our Performance Review process for the EO as part of the Board taking greater responsibility, which has identified further ways that we can support and develop the EO.

I would estimate that, prior to these changes; we were losing roughly $1,000 a week in productivity from the EO. The solutions that we have implemented are costing closer to $50 a week (made up mainly of the casual admin assistant who works only roughly 8 hours a month supporting the Board). I cannot estimate how much the Board's increased enthusiasm is benefiting the organisation, but I'm certain that it's valuable.

IMPACT NARRATIVE 12. CEO, MARKETING MANAGER (NSW). STRATEGIC MARKETING TRAINING.

I was recently invited to join an internal 'strategic expansion taskforce'. I believe I have been able to approach this project with more confidence and increased skills and experience as a direct result of the training.

Some of the key aspects of the training have come into play when researching and identifying opportunities, and then how to move forward, using some of the tools provided at training.

I have used the skills and tools from the training to apply to aspects of research via my role in the "Strategic Expansion Taskforce" - my role is morphing into business development and this has been very useful.

I believe it meant we took a more considered and strategic approach to opportunities, which in turn put us in a stronger position when making decisions around activities. By using these tools, we were able to determine more quickly whether an activity was worth pursuing or persevering. It is difficult to calculate, however I would estimate several thousands of dollars initially, has been saved in resources, by using these skills and tools.

Summary

Discussion

Outlook

Putting it all together

The Australian NFP sector is diverse and keeps growing, and it is fundamental to the nation that it performs well. Every Australian directly and indirectly benefits from the multiple services provided by NFP organisations. While they generate and sustain an attractive and functional society, there are clear signs that this system is under severe strain. The future holds that it becomes tougher to successfully manage uncertainty, fiscal restraints, competitive labour markets, new technology, changing regulations, and more.

Many of these challenges can and must be mastered through the knowledge, skills, and abilities of the people who give their talent, time and energy to an NFP organisation and its purpose. The competence to successfully meet the multiple and often complex responsibilities at work is nothing one is born with, it is the result of past experiences and learning opportunities, and the world is changing so much that people require regular updating and upskilling.

Indeed, the competitive and economic driver that many industries and work organisations are left with is people and their capabilities. The development of human capital is consequently accepted and heralded as a necessity for individual, organisational, and societal viability. Extensive research supports this. Yet, the development of leaders, managers, directors, and many key competencies is repetitively admonished for its absence in the NFP sector.

Training and professional development are key tools for strategically enhancing the leadership and technical competence of any workforce. Whilst training cannot fix everything, more research shows that formal learning experiences that are well aligned, designed, delivered, and applied do improve individual and organisational performance. Nonetheless, it appears that NFP organisations and workers seeking to engage in professional development are challenged to do so.

Despite the need for an informed conversation, there is a profound absence of systematic information on the state of professional development as it relates to Australian NFP organisations. Moreover, the knowledge that does exist about the great potential of strategic professional development appears to be given little attention by NFP leaders, funders, and policy makers. The remit of this research was thus to compile what we know and to actively begin filling some gaps.

To begin with, the report provided a comprehensive and cross-disciplinary review on the premises and effects of training and professional development, how they relate to individuals and work organisations, and what has been found in relation to the NFP context. The extensive literature referenced may also be used as a gateway to investigate some aspects further.

A series of field studies conducted between 2012 and 2015 subsequently addressed the state, management, and effects of training and professional development as they relate to the Australian NFP sector. They produced a compelling set of findings.

First, it was found that Australian NFP organisations engage about 48% of their people in at least one professional development activity pear calendar year. Development intensity has been found to be highly variable for different sizes and types of NFP organisations and for different organisational members. Members of governance boards, volunteers, and small NFP organisations more generally appear particularly challenged to realise training.

Second, those Australian NFP organisations that systematically develop their people have been found to do better. Specifically, collected data supports that human resource development practices and policies positively affect organisational competence and capability, which in turn enable organisational performance, and that significantly facilitates the creation of social impact. Thus, workforce development was found to significantly contribute to mission success.

Third, training activities that address NFP key competencies are found to have systematic, positive effects on those NFP workers trained. The set of professional development activities addressed NFP governance, strategic leadership, and impact evaluation, and resulted in incumbents greater role clarity, competence knowledge, and self-confidence after the training and when compared to a control group.

Fourth, there is a strong theory of change underlying professional development. Multiple impact narratives provided by trained NFP workers describe favourable and multifaceted outcomes, which they attributed to the learning experience. Those powerful illustrations confirm extant scholarly theory that links training to gains in knowledge, skills and abilities, which in turn facilitate better leadership, saved funds, enhanced performance, increased well-being etc.

Fifth, capacity development through training can have positive economic returns. In an exemplary cost-benefit estimation for a NFP governance training scheme it was found that the economic impact may be valued with a factor of +6. For each scholarship dollar spent on the training, there appears to be an average positive return of about six dollars that can be attributed to the training, and the resulting behaviours, decisions and flow on effects on organisational success.

Sixth, the lack of money and time holds back the development of NFP workers. Findings from multiple surveys suggest that insufficient financial

Insight:

Training and professional development offer great upside potential to enhance the capacity of NFP organisations, so they can even better address the growing societal and economic challenges.

Insight:

Professional development is not accidental. If it is well aligned and implemented it is a strategic and central element that every Australian NFP organisation must realise to achieve social change. The message is: it cannot be postponed.

and structural support hold back the Australian NFP sector and its people from engaging more with professional development. Smaller NFP organisations appear particularly prone to the financial challenges. The pronounced use of the operational budget to fund professional development across the NFP sector requires further investigation.

Seventh, a first exploration of needs for developing NFP key competencies shows that those requirements vary considerable. Findings suggest there is a need for leadership development and strategic competence across the Australian NFP sector. Particular sub-sectors and organisational features demand specific attention. Consequently, a larger, national study is proposed to generate data that are more granular and to inform policy makers, training providers, funders, and other NFP stakeholders.

Finally, a collection of case studies illustrates the world of people seeking to contribute to NFP endeavours and the difference a professional development experience can make. Through reflecting on things learned, their application, and the consequences, those case studies provide rich insights about the potential value of training NFP employees and volunteers.

Together these findings suggest that the ability of Australian NFP organisations to respond to environmental challenges and to realise their mission depends to a substantial extent on the knowledge, skills, and abilities of their people. The research shows their competence can be systematically developed and this can significantly contribute to organisational sustainability and the creation of social change.

Further quantitative and qualitative findings suggest there are clear needs for developing certain NFP key competencies. They also make a case for professional development being inhibited by insufficient financial resources and structural support.

Some findings mainly confirm what had been already demonstrated in other domains or jurisdictions, other findings support what beforehand had been largely considered anecdotal. Evidence is often easily dismissed if it did not emerge in the context it shall be applied to. The empirical findings presented in this report relate directly to individuals and organisations that constitute the NFP sector in Australia.

Over the past year, we started to share some of the early findings and many responded enthusiastically: "Let's do something about it!" Ultimately, in the more day-to-day understanding of these findings the message has to be: professional development is not accidental or something that can be postponed but it has to be considered as a strategic and central element that every Australian NFP organisation must realise to achieve social change. It is thus hoped that this report provides an impetus.

Those findings are a beginning. They begin to shed light on the under-researched role of workforce development in the Australian NFP sector and should inform an important conversation among NFP leaders, policy makers, funders, thought leaders, and the Australian NFP sector at large. A range of discussion points are suggested next.

These findings are not the end. More issues need to be explored to produce a stronger and more varied evidence base. A range of topics and questions for researchers and NFP stakeholders are also discussed next.

Where to for those working in the NFP sector

Australian NFP organisations have a history of achieving great success. These accomplishments have been possible because of the people who make available their time and energy for the purpose of social change. People do the work and if NFP organisations do not have sufficiently good people, not sufficiently good work will happen.

Based on the sector's size, fast-paced growth, and the increasing challenges it can be reasoned that shortsighted thinking that neglects strategic workforce development will have problematic long-term consequences. Equally, improving professional development and competence, even a little, could mean a lot with respect to social outcomes. As the time to act is now, some suggestions are made.

First, learning and workforce development ought to become enshrined in each NFP organisation. The argument is not that the associated structural and fiscal changes are easy. They are not. The argument is that those changes are worth it. Accordingly, leaders, decision makers, front line workers, volunteers, and everyone else in the Australian NFP sector must make the development of new knowledge, skills, and abilities a priority, and fulfil this priority.

Second, NFP organisations ought to ask for funding that promotes workforce development. Unless grant seekers do not request respective resources, there will not be any. Given the extant research and the present findings, it is fair to say that strategically well-aligned and implemented competence development in NFP organisations will lead to multiple positive effects for individuals, organisations, and society. The present report may be used to establish that case.

Third, in their own interest, NFP organisations should lead the conversation about the importance and challenges of workforce development. The Australian NFP sector has to work from the outside to put these issues on the agenda and exercise influence. Possible avenues involve annual conferences, pilot projects, research partnerships, and public debate.

Fourth, there is a science of training[98]. Research has identified key factors and processes that enable or stifle the desired effects of work training[106]. They have to be appreciated and adopted. Each situation is unique and circumstances are always changing. Nevertheless, effective workforce development starts and ends with the person learning and his or her organisational environment. For the most part, these parties are in control and accountable for the training outcomes.

It has to be determined what needs to be trained, who needs to be trained, and what type of organizational priority it fits in. It then is important to clarify expected learning outcomes and, if possible, provide guidance for training design and evaluation. Means should be in place to ensure that the training provided will address the actual requirements and demands. In advance, it should be identified how the work environment can support or would hinder the training intervention to take effect. Even just having a good conversation with the potential trainee will maximise the benefits of a given training by ensuring there is fit between the person, training, and expectations.

Fifth, new learning is fragile. People going through formal learning experiences need to be given the time and support to transfer the training. Trainees cannot return to work with knowledge aplenty just to catch up with all the work that remained unattended. Managers, supervisors, and peers all have to make sure that there are the essential resources, opportunities, and support to successfully apply what was learned. Effective training means that people do things differently. As learning does not stop when exiting the training episode, those trained have to be encouraged to continue to learn rather than to appear capable too soon.

Sixth, training activities should be evaluated, and this is quite similar to other evaluation approaches many NFP organisations used to. A single smile sheet completed at the end of the training will offer little insight. Genuine conversations with supervisors, peers, and learning providers may be more worthwhile, and systematic evaluation remains the supreme.

Accordingly, substantial investments in training should be accompanied with a substantive evaluation approach that involves multi-facet pre-post comparisons, and ideally control groups. Together this encourages trainees to reflect, signals to employees that training is important to the organisation, should be used to improve subsequent interventions, and can be showcased to others. In fact, all training vendors should be asked to systematically evaluate the impact of their services by making evaluation data and findings transparent.

In summary, there is neither a one-size fits all model nor a single intervention to NFP greatness. There is, however, a considerable leverage in gaining and sustaining the key competencies in Australian NFP organisations so they can best create social change. The development of people is both possible and necessary to help NFP organisations achieve social change.

Insight:
There are a number of steps NFP organisations can undertake to accelerate workforce development: make it a priority, ask for designated funding, change the public conversation, utilise scholarly research and evidence, and ensure it is well aligned, implemented, and evaluated.

Where to for those supporting the NFP sector

Those who support the NFP sector need to decide what they hope to accomplish overall, and what will produce desired results. Strategic investments in workforce development can be an appropriate measure to produce the desired social outcomes. That is, funding the right professional development is a protection of and amplifier for the larger investments supposed to drive social change. In other words, funders may simply get what they pay for.

Supporters need to expand how they think about workforce development by shifting their perception of it from a costly, administrative function toward a strategic imperative. Subsequently they ought to consider avenues to support workforce development as long it facilitates the overall goals.

First, one of the best avenues to end the current dilemma is where it starts. Funders and governments may need to recognise that most existing funding models and grant schemes do not permit full cost recovery. Full cost recovery means that NFP organisations are able to recuperate the total costs of realising a given program or project, including the relevant proportion of what is typically considered 'overhead' costs, and of which workforce development is a part.

Funders and governments are invited to take the lead as they have the power advantage over their grantees. When they change their expectations and communication, NFP organisations will feel less need to underreport their actual needs and, if sensible, should be encouraged to include a proportion for professional development.

For instance, a coalition of grant makers in the USA recommends that foundations should engage in substantive and regular conversations with all grantees about the ways in which they proactively focus on workforce issues, in particular, those grantees that seek to grow their impact[67]. For foundations, this can mean to explicitly address

Insight:
Supporters of the NFP sector must recognise the value of training by allocating designated workforce development funding, promote specific capacity building schemes, and encourage more optimal use of non-monetary resources.

talent management issues in requests for proposals, grant-reporting guidelines and other materials for applicants and grantees. In addition, the expertise and experience in foundations can be used to provide insights and clues about what kind of professional development a NFP organizations may need.

Second, given there appears to be a deficit in some NFP key competency areas, state and federal governments should consider specific capacity building schemes to give Australian NFP organisations the skills and resources they need to get to the next level. In fact, the Australian National Compact Consultation Paper argued in 2009 for the importance of addressing the "financial viability" of the sector by reform of funding agreements and "the identification and addressing of areas of particular unmet need". About the same time, the Productivity Commission made similar recommendations. In relation to NFP workforce support, little has changed, albeit other jurisdictions demonstrated that this topic is not to be ignored.

For instance, in the beginning of the last decade the UK government recognised that many NFP organisations do not generate sufficient surpluses to invest in capacity building and most do not consider using debt finance to build capacity. This analysis provided the basis for the UK government to formulate a comprehensive program of capacity building that focused on strengthening leadership, governance and management roles often with an emphasis on developing financial and enterprise skills[11]. Similarly, Canada launched its Voluntary Sector Initiative in 1998 with a budget of $96.5m that included strong elements of training and professional development[154]. The coming years in Australia should be a time of growth and funding for NFP human capital.

Third, whilst improving the current situation will require extended funds, success is not exclusively about spending more money. Strategic workforce management might mean to re-balance some items of the existing budget and to do things differently. For instance, other data from the present research

suggests that many NFP organisations make minimal use of systematic skill needs analysis, talent pipeline development, and the identification and grooming of top performers. Though such activities may be considered prerequisites for systematic workforce development, their absence may be indeed a result of insufficient human resource management competence.

Supporting entities linked to businesses, such as corporate foundations, often have access to highly capable business functions and personnel at the core business. Supporters should increasingly consider scaling these resources for realising lasting skill transfer, either by formally organised volunteering schemes or championing individuals who eagerly give a bit of their time and expertise.

Fourth and finally, building the necessary human capital in the Australian NFP sector will require a multipronged approach. Support and solutions will be the result from cooperative efforts and involve foundations, governments, businesses, training providers, and researchers. Associations and peak body organisations of the Australian NFP sector thus need to reframe the conversation. They ought to commit to adroit agenda setting, inform about the benefits of a strategic human capital approach, and bring together the wider NFP community. The goal must be that NFP organisations become intentional about cultivating workforce development and all NFP stakeholders are encouraged to support and invest in it.

Overall, findings and suggestions in this report may challenge NFP leaders, funders and policy makers. They should review received wisdom and current decision making as it relates to the distribution of resources and support. Those who support NFP organisations can enhance their impact by realising that human capital development is inescapably linked with organisational sustainability and social change. All supporters of the Australian NFP sector have to commit to a professional development strategy.

Where to for those researching the NFP sector

Some early output from this research has already been discussed in the public and cited[155], which is an indication of the overall topic's relevance. Although the present research made considerable headway, we still know very little about the state and management of the Australian NFP workforce, even less about its development. To ensure that the NFP sector in Australia will be able to meet the expected growth and achieve its social missions by being provided with the key competencies it needs, the following agenda of applied research is proposed.

First, an initial research need is to fully understand what key competencies are required to generate and sustain desired social change on the part of NFP organisations. Although the present research constructed and used a relevant set of key competencies, a more comprehensive competence framework ought to be created that allows policy makers and other relevant stakeholders in Australia to organise, measure, and analyse the presence, level and distribution of certain knowledge and skills.

The current lack of such standardized and occupation-specific descriptors makes capacity building a particular challenge. By developing a taxonomy of relevant knowledge, skills, and abilities that directly aid NFP organisations in achieving their social and community objectives, the sector can better organise labour market and skill building activities. It will be also a great place to start for those individuals who seek to enter the NFP sector and those currently in the sector seeking to enhance their capability.

Second, information regarding NFP organisations' specific learning needs remains limited yet warranted. Conceivably, the best way forward involves a national study that is based on a much larger representative sample of NFP organisations than was possible in the exploration underlying the present research. The goal is a fine-grained big data set, which can be stratified by state, sub-sector, organisational size, managerial level etc. Such study would address questions such as: what competencies are needed, where are they needed, and for whom?

To empower NFP sector stakeholders it will be necessary to openly chart these needs and barriers for developing the key competencies on a national scale. Such information can then be used to design appropriate learning opportunities and capacity building schemes. For instance, if it was found that some configurations (e.g., certain types of organisations in a particular sub-sector within a specific state or area) are particularly challenged by costs, then financial subsidies might be considered. If physical distance is problematic, then tailoring online courses to this configuration's needs might be most sensible. The Australian NFP sector at large ought to support such a study.

Third, enhanced competence is the result of learning that occurs through training as well as at work. It is thus paramount to understand how key competencies can be best acquired through different forms of formal and informal learning. In other words, costly training interventions may not be the silver bullet. knowledge sharing, secondments, self-directed study, information curation, among others, are extremely potent means to become more competent. Yet, they can also waste a lot of energy and time and lead to little tangible benefit. The synergy between formal and informal learning activities has to be better understood and then deliberately configured to realise full potential.

Fourth, in a similar vein, the effects of training and informal learning activities depend heavily on how well they are embedded in the overall work experience. Research need to examine organisational mechanisms under managerial control to understand what best facilitates this impact of multiple forms of work learning within Australian NFP organisations. As such impact is affected by work design, supervisors, peers, and human resource policies, their influence has to be better understood, and clearly communicated back to the Australian NFP sector.

Fifth, it remains important to assess and demonstrate the value of various work learning activities on social change. It will be necessary to research what works and how, and what does not and why. This could include more targeted cost-benefit analyses and collections of best practices. It may also involve evaluations and comparisons of different curricula, learning designs, training vendors, and their impact. Together such systematic accounts will realise a strong and rich evidence-base from and for the Australian NFP sector that can be used for making effective investment decisions that promote competence development for social change.

Insight:
Scholars can support and shape the NFP sector by defining key competencies, measure learning needs, improve understanding about learning forms and support mechanisms, evaluate different learning activities and their providers, and help NFP stakeholders to understand each other better.

Sixth, the diversity of formal learning providers and their offers is burgeoning. Currently there exist no coherent overview of what is available and to what ends. Naturally, there is variance in such a market, though the outcome of competition should not be based on who screams the loudest. Independent indexation and training evaluation of NFP learning experiences should take place. On the basis of continued data from actual NFP learners, it is the leaders, funders, and policy makers who will have more confidence in the quality of the learning experience, the investments made, and that desired outcomes will ensue.

Seventh and finally, it is crucial to understand the cognitions and mechanisms that underpin typical funding models, stringent conceptions about financial ratios, overhead, and investing resources in human capital. To illustrate, grant makers and grant seekers appear to operate on different mental models in relation to how crucial resources ought to be used. Arguably, there is an asymmetry that is causing a vicious cycle of underfunding the professional development of NFP workers. It appears that funders do not offer grants for talent, so there is low investment in talent. It also appears that NFP organisations hesitate to ask for such developmental funding as it would indicate a weakness, which they understandably do not wish to signal. As NFP grant seekers do not ask, grant makers do not see the need. Research can make this conundrum explicit, if legitimate, and thereby contribute to the overall conversation.

Without such research, workforce development in the Australian NFP sector will remain misunderstood, open to easy criticism and de-legitimised as optional. We believe this and future research can truly move the dial. The 'Learning for Purpose' research initiative can be a neutral, collaborative platform that enables everyone to be involved and become part of the answer.

Consequently, all stakeholders of the Australian NFP sector – particularly funders, organisational leaders, human resource managers, public institutions, and scholars – are invited to propose further research topics, offer collaboration opportunities, make themselves available for data collection, and help realise the crucial financial and personnel resources required for sound research that facilitates NFP workforce development.

Methodology
Samples
Analyses
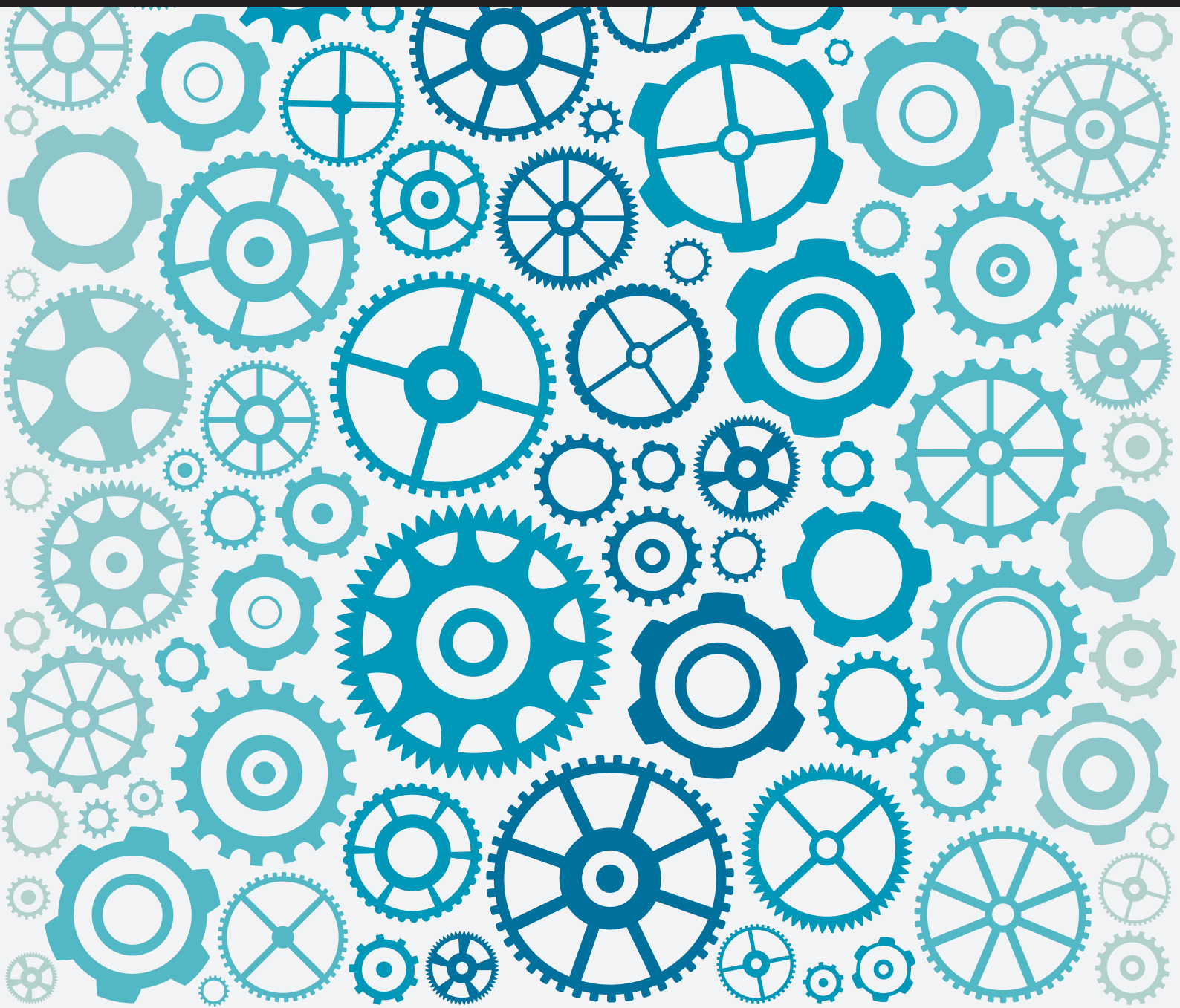
In the interest of practicality and readability prior reporting focused on the central aspects of the research and findings. To assist with further interpretation, some methodological information relating to data collection, samples, study design, analysis, and limitations are summarised in this section. Therefore, information presented here is largely complementary and to what has been presented and discussed prior.

Findings presented in this report are based on multiple studies conducted by the research team. Across multiple datasets, a total of 2,867 individuals actively participated in this research, constituting an average overall response rate of 56%, and resulting in 3,748 questionnaire responses (due to longitudinal methodology utilized, several responses were collected for some cases over time). More specifically, two large data collection efforts were realised that map onto the seven research questions as follows:

Research Question	1	2	3	4	5	6	7
Data set A	x	x				x	x
Data set B			x	x	x	x	

All data was collected through online surveys. To minimise question order effects and common source measurement biases, the questionnaires employed multiple procedural remedies, such as question blocks being differently sequenced[156,157]. Data screening revealed no concerns in relation to multicollinearity, normal distribution, systematic missing data, or response bias effects.

In general, conventional statistical methods (e.g., descriptive, t-tests, variance-based correlation and regression analysis) were used to analyse data. Data and findings may be discussed in the text of this report but not presented in an accompanying figure or table. Unless otherwise stated, respondents were asked how much they agree or disagree with certain statements on a 5-point response scale: (1) Strongly disagree, (2) Disagree, (3) Neither, (4) Agree, (5) Strongly agree. Differences in these scores may not be fully equidistant. That is, psychological distance between response options 'Strongly agree' and 'Agree' may not be the same as that between 'Agree' and 'Neither'. Accordingly, interpretation in change of mean values (e.g., from 3.84 to 4.19) may allow little meaningful interpretation of the magnitude of change. Instead, the focus in most of such analyses is to identify whether observed changes are occurring by chance or are systematic – referred to as statistical significance. Only results that are statistical significant ($p < 0.01$) are included, unless otherwise noted.

Data set A

Data set A relates to research questions (RQ) 1, 2, 6, and 7 and was collected between July 2014 and April 2015. It contains 697 valid responses from CEOs and managing directors (9%), upper management (17.9%), middle and line managers (5.7%), staff and professionals (6.1%), board directors (49%), human resource managers (8.4%), founders (1%), and others (3%) who all work or volunteer for an Australian NFP organisation. This sample comprises 42.7% males and 56.8% females with an average age of 49.9 years (min 20 years, max 74 years, standard deviation of 12 years). They reflect a reasonably representative sample of NFP organisations, whose primary area of activity (as per International Classification of Non-profit Organizations; ICNPO) relates to Social Services (26.2%), Health (21.6%), Education and Research (13.8%), Not Elsewhere Classified (11.9%), Culture and Recreation (7.8%), Environment (4%), Development and Housing (3.9%), International (3.7%), Law, Advocacy and Politics (3%), Business and Professional Associations, Unions (1.9%), Religion (1.4%), and Philanthropic Intermediaries and Voluntarism Promotion (0.7%). Those NFP organisations are on average 47.8 years old (median = 30 years) and employ about 1-9 staff (33%), 10-25 staff (27.4%), 26-50 staff (18.1%),
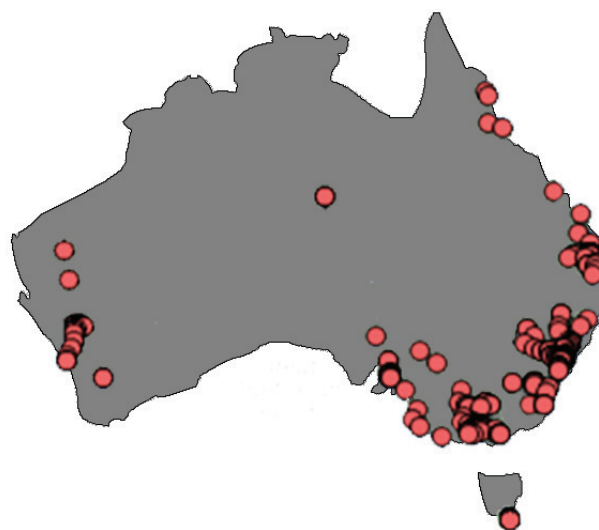
GEOGRAPHICAL REPRESENTATION OF PARTICIPATING NFP ORGANISATIONS FOR DATA SET A

51-100 staff (9.3%), 101-200 staff (4.2%), 201-500 staff (2.7%), 501-1000 staff (2.1%), 1000+ staff (3.3%). The NFP organisations represented all Australian states and territories and operated locally in the town (25.1%), regionally in the state (38.3%), nation-wide in Australia (24.7%), and spanning international boundaries (11.8%).

To access the relevant population and maximise available field data, study participation was facilitated by collaborating organisations (e.g., training providers, peak body associations). As some of these partnerships requested for the survey fatigue (i.e., questionnaire length) to be minimised, not all respondents received a full range of measures. Sample sizes are as follows: for RQ1 N = 303; for RQ2 N = 697; for RQ6 N = 404 relating to 'sources of funding professional development' and N = 100 relating to 'barriers for more professional development'; and for RQ7 N = 429. Also, number of responses varied, because some respondents did not answer all of the questions (e.g., not applicable or information unavailable). Multiple checks provided support that differing sample sizes did not overly affect the samples' composition and characteristics.

RQ1 asked respondents to indicate 'What percentage of staff and volunteers have undergone some formal training or professional development over the last 12 months?' This was subsequently analysed by cross-tabulating respective means with categories of organisational size and sub-sector. The amount of professional development provided correlated with organisational revenue (.22). Respondents were also offered a set of 15 potential learning activities and asked to indicate 'Which of these professional development opportunities does your organisation typically realise for its staff and volunteers?' by using a 3-point response scale: (1) Never, (2) Sometimes, (3) Frequently. The average frequency of learning activities realised correlated with organisational revenue (.37).

RQ2 required reliably quantifying heterogeneous organisational level variables, a challenge shared by many sectors. For instance, there is no agreed upon yardstick which defines organisational success, not even for those sectors that by nature of the business are linked to more transparent metrics (e.g., manufacturing, sales)158. Equally, the vast diversity of Australian NFP organisations further prevents researchers from employing a unified outcome measures of social impact, which remains a formidable challenge159,160. In line with extant research the study operationalised the constructs as perceptional measures. Organisational human resource development practices and policies was characterised by four dimensions with three items each. Namely, a management supportive of professional development (sample item: "Management here motivates the attainment of new knowledge and skills"), policy and resources for professional development (sample item: "We have a budget for human resource development"), strategic alignment of professional development (sample item: "Our training and development activities are aligned with the overall vision and mission"), and a social support system for professional development (sample item: "People here generally think new knowledge and skills improve performance"). Organisational competence and capabilities measured capabilities relating to 18 typical functions of NFP organisations, such as "Enlisting funding and seeking grants", "Leading people and organisation", and "Managing finances and risks". Respondents were asked to rate the competence available within their organisation on a 5-point scale: (1) Not competent, (2) Little competent, (3) Somewhat competent, (4) Very competent, (5) Extremely competent. The measure of organisational performance comprised a set of 18 indicators about the viability of the organisation. For instance, respondents had to dis/agree with statements such as "This organisation is financially sound and stable", and "This organisation has engaged and committed employees", among others. Finally, social impact was measured through the responses to six statements about the outcomes of the organisation's activities. Namely, respondents were asked to think about NFP organisations with matching purpose and characteristics and rate, for instance, the "Overall effectiveness in achieving the mission", and "Overall satisfaction of clients/community served", on a 5-point scale: (1) We do a lot worse, (2) We do a little worse, (3) We do about the same, (4) We do a little better, (5) We do a lot better.

All constructs exhibited good measurement properties, such as adequate scale reliability (Cronbach's α =.75-.93). Structural equation modelling (using Mplus v7.11) was used for path analysis to test for the hypothesised relationships, because this approach allows to estimate all mediation paths simultaneously. As a relatively small sample size (N = 697) was not large enough to provide sufficient statistical power to identify a model using latent variables with a total of 54 indicators161, a parcelling approach was taken that improved the ratio of sample size to estimated parameters162. Specifically, organisational competence and capabilities and organisational performance were each represented by three parcels with each parcel averaging six items. To maintain fidelity for the key independent and dependent variables, all latent indicators were retained for organisational human resource development practices and policies (12) and social impact (6). Also, to enhance the generalisability, organisational size was controlled for in all analyses. The hypothesised model represented the best solution with an adequate fit (χ2 = 826.931(244); RMSEA = 0.059; CFI = 0.93; TLI = 0.93; SRMR = 0.067) and all hypothesized relationships were statistically significant (p < .001).

Namely, organisational human resource development practices and policies facilitated organisational competence and capability (.66), which in turn enabled organisational performance (.73), and that in turn positively affected an organisation's social impact (.69). The model explains sufficient cumulative variance (R^2) for organisational performance (.93) and social impact (.48) and estimates an overall total indirect effect from organisational human resource development practices and policies to social impact of .55.

RQ6 involved NFP executives, directors, and managers; there were 42.7% males and 56.8% females with an average age of 49.57 years (min. 21 years, max. 74 years, 11 years standard deviation). They were asked to indicate "Through which means are training and professional development activities typically funded in your organisation?" and use a 5-point scale: (1) Never, (2) Rarely, (3) Sometimes, (4) Most of the time, (5) Always. Analyses show that organisational revenue correlates with accessing professional development via the operational budget (.18), project budget (.30), team budget (.41), and designated human resource budget (.44), and this is also supported by cross-tabulating the respective means with categories of organisational revenue.

RQ7 asked the same respondents as described in RQ6 to allocate a fictional budget of $100,000 to 14 NFP key competencies which were subsequently ranked and cross-tabulated with organisational size and organisations' primary field of activity as per ICNPO.

Data set B

Data set B relates to research questions 3, 4, 5, and 6 and was generated between January 2012 and April 2015. It reflects an overall response rate of 42% and comprises responses from 2,251 NFP workers who experienced some professional development or participated as members of a control group.

RQ3 involved four samples: (i) a treatment group of 226 NFP governance directors and chairs who attended a one-day training and a control group of 161 comparable NFP governance directors and chairs who did not attend the training. This sample comprised 47.9% males and 52.1% females with an average age of 51.1 years (min. 22 years, max. 78 years, 11 years standard deviation). (ii) A sample of the 'Social Return on Investment'-training participants that comprised 22.3% males and 76.3% females with an average age of 42.3 years (min. 22 years, max. 72 years, 11 years standard deviation). (iii) A sample of 49 NFP executives who participated in a NFP strategic leadership training. Demographic data was not available for this sample. In general, all participants were asked to complete psychometric measures relating to role-clarity (sample item: "I have clarity about my roles inside the board room") and self-efficacy (sample item: "When facing difficult tasks as director/chair, I am certain that I will accomplish them") before the training and about six months later, if applicable. All constructs exhibited good reliability (Cronbach's α =.81-.89). Analyses for sample (i) and (ii) comparing the two groups identified no systematic difference before the training, but higher levels of role-clarity and self-confidence for the training group when compared to the control group six months later. Analysing pre- and post-training states for sample (iii) shows systematic increase in competence-clarity and self-efficacy that may be attributed to the training. Sample (iv) comprised 100 trained NFP workers, 44.9% males and 54.2% females, with an average age of 39.8 years (min 20 years, max 58 years, standard deviation of 12 years). Their frequentist responses are, when asked: (a) "How often do you apply knowledge and skills from the training at work?", the responses were: never (3%), a few times a year (7%), at least once a month (21%), at least once a week (52%), at least once a day (17%); (b) "Would you recommend the program to someone else?", the responses were: definitely not (0%), probably not (0%), maybe (7%), probably yes (23%), and definitely yes (69%); (c) "Did the program encourage discussion of new practice or policy options?", the responses were: probably not (9%), maybe (7%), probably yes (28%), and definitely yes (55%).

RQ4 involved responses from a sample of 142 NFP workers that comprised 27.5% males and 72.5% females with an average age of 40.3 years (min. 20 years, max. 78 years, 10 years standard deviation). RQ5 involved respondents described under RQ3 sample (i). The tool Leximancer provided the machine-learning algorithm for analysing the natural language impact narratives. RQ6 involved responses from 100 training scholarship recipients, who constitute sample (iv) described prior under RQ3 and 100 NFP executives, who constitute the sample described in Data Set A under RQ6. The latter were asked to "Please indicate why you may not participated in more formal learning activities over the last 12 months.", and provided predefined and open response options using the typical 5-point response scale.

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About the Research Partners

Origin Foundation

The Origin Foundation believes in the power of education to help transform lives and improve communities. Our focus, chosen by the people of Origin, is to support programs that use education to help break the cycle of disadvantage and empower young Australians to reach their potential. Our work with the Centre for Social Impact at The University of Western Australia focuses on building a stronger community sector by increasing the professionalism and productivity of the Not-for-Profit sector through training and development.

Australian Scholarships Foundation

The Australian Scholarships Foundation (ASF) builds capacity in the Australian Not-for-Profit sector to create high performing organisations and make the sector more effective. ASF does this with the help of 26 education partners – including 20 universities – and many generous supporters. ASF provides access to education, training and development for directors and staff of Not-for-Profit organisations in leadership (e.g., Fulbright Scholarships), governance and an expanding range of management disciplines and functions. In six years, ASF has assessed nearly 5,000 scholarship applications and awarded over 2,300 scholarships worth nearly $5 million. Over 2,000 NFP organisations nationwide have benefited from this investment – as ASF is helping their people develop, they will realise greater social impact.

The Centre for Social Impact, The University of Western Australia

The UWA Centre for Social Impact (UWA CSI) is a Centre within the Business School of the University of Western Australia, one of Australia's leading teaching and research institutions. UWA CSI is part of the national CSI network with centres at the University of New South Wales and Swinburne University of Technology. The vision of the UWA CSI is for a resilient, strong, engaged and fair world that is free from poverty. It seeks to generate social impact through knowledge and by inspiring, engaging and mobilising change makers. As a thought leader, the UWA CSI currently has 25 people working across various teaching, research, engagement and management functions. First, by teaching we are educating, empowering and inspiring the social impact leaders of today and tomorrow. Second, through research we are creating, disseminating and applying knowledge in the field of social impact. Third, in working collaboratively across sectors we act as a change agent for social impact. Fourth, we connect, engage and bring together change makers locally and globally to facilitate dialogue and debate around social impact.

Ramon Wenzel, Lead Researcher 'Learning for Purpose'

Dr. Ramon Wenzel is an Assistant Professor at the Business School of The University of Western Australia. At the Centre for Social Impact he leads the applied research program on 'Learning for Purpose' to inform capacity building and workforce development for the Not-for-Profit sector. In his research Ramon draws on human psychology and organisational management to understand and improve the multiple forms of formal and informal work learning. This involves the evaluation and redesign of professional development programs, the transfer of training to the job, and identifying barriers and enablers for gaining and sustaining the key competencies required for social change.
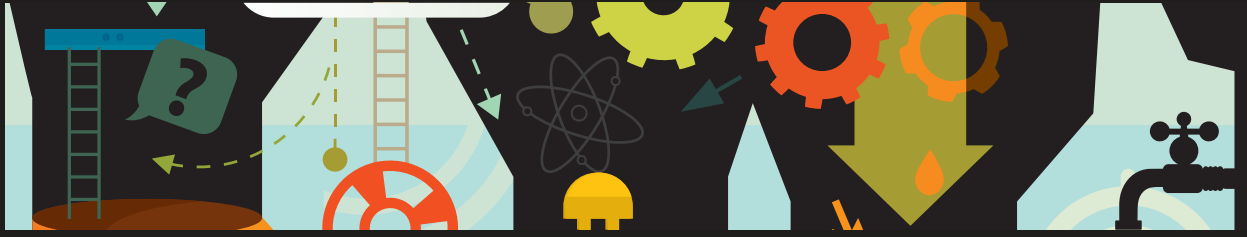
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