

# Executive summary

This research explores skills gaps in paid employees within the English third sector in 2008. It was conducted by the UK Workforce Hub to provide information on the skills and workforce development of third sector employees in England.

## Aims and objectives

The aim of this research is to examine the links between skills gaps and training and workforce development in the third sector. More specifically it aims to explore:

- what skills gaps third sector organisations of different sizes are currently experiencing and are likely to experience in the future, and how these gaps have been identified
- how organisations are responding to these gaps
- what barriers to skills development they are facing and how these can be addressed.

## Definitions

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

## Methodology

The findings within this report are based on the views of third sector front-line employers in England expressed in a number of focus groups. The focus groups were conducted in four English cities each within a different English region to ensure as many third sector employers across England could participate as possible.

Following the focus groups, a workshop was held with third sector infrastructure organisations in order to provide them with the opportunity to hear the early findings of the research and identify if these findings resonated with their knowledge and experience of skills gaps and training needs within the third sector.

Fieldwork took place between November 2007 and January 2008.

## Key Findings

### Hard skills vs soft skills

Participants highlighted a range of hard and soft skills gaps within their organisations. Whilst some participants focussed essentially on 'hard' or technical skills such as fundraising or marketing, others referred more to competencies or 'soft' skills, such as the ability to prioritise or to work in a team. Many of the soft skills mentioned by participants are behavioural or attitudinal competencies. Clearly for some organisations competencies were thought to be more of an issue than technical or hard skills and that this would increasingly be the case in the future.

### A mix of generic, specialist and specific skills

Participants highlighted a mixture of generic, specialist and specific third sector skills gaps. Some of the specialist skills were very specialised almost 'niche' skills (particularly in the field of health care), which made the gaps experienced by organisations harder to address. In most cases the generic and specialist skills listed by participants were not specific to the third sector.

### Skills gaps in management have the greatest impact

Participants identified that this was because they affected the whole organisation and its different stakeholders. Strategic management and people management were the two areas where management skills gaps were considered the greatest. Both confirmed managers and newly appointed managers experienced skills gaps. It was felt that a progression path within organisations was often lacking, so managers were insufficiently prepared for their new role and responsibilities.

### Organisational size impacts on skills gaps

Unsurprisingly, there were differences between small and larger organisations in terms of skills gaps. One of these differences related to the importance of trustees in smaller organisations and the impact of their skills gaps on the organisation. More generally the need to multi-task in smaller organisations impacted negatively on the level of skills available, whereas larger organisations had the resources to recruit dedicated staff. It was felt that the lack of specialist skills meant that existing resources were often used ineffectively.

### Organisations use a wide range of formal and informal processes

Participants predominantly had an approach to identifying current skills gaps that combined several tools or processes within the same organisation. Standard tools and practices such as supervisions and appraisals were widely used. Informal processes play a significant role in identifying skills gaps; this highlighted the need for good communication. It was felt that promoting a culture of learning depended on having an open communication policy that encouraged people to talk about their skills needs.

### No 'one-size fits all'

An array of actions were undertaken to address skills gaps demonstrating that in terms of training and development, one size does not fit all. Major differences between small and large organisations actions existed due to resource constraints. Generally smaller organisations had a more ad-hoc approach to learning, but some were particularly creative and innovative in dealing with skills gaps.

### Formal training and qualifications has increased

A recent push towards qualifications was identified and this was not always perceived as a good thing. It was felt that formal training sometimes led to a more prescriptive way of addressing skills gaps that did not always match organisational and individual needs.

### Internal vs external solutions

Training and development was conducted both internally and externally. Internal solutions were more able to address the time issue and were considered more appropriate for cascading information and knowledge. Internally the format was often workshop-based, relatively short and very specific.

### Integration of and planning for training and development was generally quite poor

Participants gave the impression that different organisational actions to address skills gaps did not form a coherent plan. The discussions indicated that learning and development is more than just a set of processes and procedures, but a value set. Numerous training and development initiatives are taking place, but integration of training and development into overall planning was considered difficult because it involved finding ways of reconciling individual development needs with organisational ones. Participants discussed the potential tensions between the two and the need for career pathways to be more clearly expressed.

### Few formal evaluation processes exist

Evaluation forms were used within some organisations to assess the effectiveness of training and development. The validity of these was however questioned, partly because they failed to assess the transfer of learning. In light of this absence of satisfactory tools or indicators to assess the effectiveness of training and development, one of the participants described training as an 'act of faith'.

### A number of actions were particularly successful at addressing skills gaps

Key characteristics of successful actions were that they were specific and relevant to an individual's job, flexible and short. This was particularly important when involving part-time workers and volunteers. Participants identified that successful actions often brought together different people from within the same organisation and were more likely to be delivered by peers. Follow-up actions were also considered important.

### **Failure factors are often the flipside of success factors**

The lack of relevance and flexibility of the training were thought to be the two factors that contributed the most to poor results. A key issue participants identified was that organisations failed to cascade down the knowledge and skills acquired in courses to people who had not attended.

### **A range of external barriers to skills development were highlighted**

Lack of funding and time for training were identified as key barriers to skills development, with lack of time being considered more significant. Beyond these, participants were able to identify a wide range of other barriers including high employee turnover due to short-term funding, project funding and access to external training and development.

### **Internal barriers to skills development were manifested at different levels**

Internal barriers could be divided into individuals' attitudes, employers' attitudes and organisational barriers. Participants highlighted that employees did not always see learning and development as an opportunity. Employers' reluctance to invest in training when there is a high staff turnover and when prioritising expenditure was also identified as a barrier to skills development. Finally, organisational barriers included their lack of forward thinking and planning, the inability to cascade knowledge to others and insufficient support from directors and managers.

### **Addressing the challenges to skills development**

Participants identified a number of recommendations for government, funders, infrastructure organisations, training providers and employers to address the identified barriers to skills development. These included government producing long-term initiatives enabling organisations time to implement and adapt to policy recommendations and funders encouraging training and development within funding bids. Participants also recommended that training providers are more flexible in their approach, infrastructure bodies improve access to training and development information and employers identify ways to cascade knowledge within their organisation.