

PLANNING FOR TOMORROW'S WORKFORCE: UNDERSTANDING SKILLS AND SKILLS GAPS IN THE VOLUNTARY SECTOR

Summary of findings

The voluntary sector is highly qualified, but this may come with drawbacks

Over half (51%) of the voluntary sector workforce is educated to degree level or higher, and 70% of voluntary organisations put critical or significant value on having relevant work experience. However, around 4 in 10 (43%) employers have staff with skills and qualifications that are more advanced than required for their current role.

Focusing too much on qualifications and previous experience exclude those who have barriers in gaining these. For instance, young people are less likely to have previous work experience and those who are disabled or from lower socio-economic groups are less likely to have higher-level qualifications.

Skills gaps are less common in the voluntary sector than other sectors

Compared to the public and the private sector, voluntary organisations reported the lowest incidence of skills gaps, which has fallen from 16% in 2013 to 14% in 2017. Skills gaps in applicants were more likely to affect high-skill occupations (42%) such as managers, while skills gaps in current staff were more likely to affect

service intensive occupations (39%), for example care and leisure staff.

Skills gaps are more common in bigger organisations than smaller ones

Bigger organisations were more likely to report skills gaps in their staff than smaller organisations. Over a third (36%) of organisations with 250 or more employees reported a skills gap in their current staff, compared to 5% in organisations with 2–4 employees.

The main impact of skills gaps is increased workload for other staff

Skills gaps had a marked impact on organisations. Half of organisations in the voluntary sector reported that missing skills in their workforce led to an increased workload for staff. Organisations also reported difficulties in introducing new working practices (29%) and higher operating costs (21%).

The biggest skills gaps concern specialist skills, especially for bigger organisations

Specialist skills were a key missing skill for applicants (66%) and staff (52%) and were more likely to affect bigger organisations than smaller organisations. Bigger organisations might be more likely to require specialist roles, while smaller organisations may have more roles with

a wider remit which do not demand specialist skills to the same extent.

Other common missing skills in the voluntary sector were self-management skills (66% for applicants and 67% for staff) and digital skills (43% for applicants and 36% for staff).

Incomplete training and poor pay are key reasons for skills gaps in staff and applicants

Employers identified incomplete training (60%) as the main causes of skills gaps in current staff. Additionally, 51% of voluntary organisations wanted to provide more training than they were able to. Of these organisations, 67% gave 'lack of funds' as a reason for not being able to provide training, which is much higher than the proportion for the private sector (47%).

Over one in ten employers (13%) gave 'problems retaining staff' as a reason for skills gaps in their current staff. Those with 250 or more employees were more likely to cite this (37%) than organisations with 5–24 employees (11%). Poor terms and conditions (eg pay) was the second-highest reason given for having hard-to-fill vacancies (24%).

Providing more training is the most common way of addressing skills gaps

Most employers sought to address skills gaps in their current staff by increasing training activity for their workforce (71%), while increasing advertising or recruitment spend was a key measure in addressing skills gaps in their applicants (43%).

Of those who did not provide training, 15% of voluntary organisations said they had 'no money available for training'. This was much higher than the level reported across sectors (7%).

Organisations use apprenticeships and hiring non-UK nationals to increase their skills base

Only a minority of voluntary organisations offer apprenticeships –14% compared to 18% in the private and 28% in public sectors. Of those that do, gaining skilled staff is seen as a key benefit

which was reported by 30% of voluntary organisations.

Over a quarter of voluntary organisations recruited non-UK nationals to address skills gaps in their applicant base, of which 25% were EU nationals. Similarly, 10% of voluntary organisations recruited non-UK nationals to address the skill gaps in their current staff, of which 28% of employees were from the EU.

Introduction

Understanding what skills are existent or missing in the voluntary sector workforce – and what challenges organisations are facing around workforce planning – is an important step to better supporting the sector, particularly in the current climate. Factors like the changing funding environment and the development of digital technologies are having an impact on the sector's workforce and the skills needed. In addition, with Brexit on the horizon there is a possibility that voluntary organisations will see skills gaps increase in the future.

NCVO's previous research on skills includes the [Voluntary Sector Skills Survey 2007](#), which explored issues surrounding skills in voluntary organisations. It found that a quarter (24%) had vacancies that were hard to fill, of which 37% applicants lacked the skills required for the role. It also highlighted that almost a third (29%) had under-skilled staff within their organisation. More recently, the [2011 UK Voluntary Sector Workforce Almanac](#) presented some data on skills in the voluntary sector.

In this research briefing, we aim to provide sector leaders and policy-makers with an up-to-date picture of the sector's skills and skills gaps by:

- identifying which skills staff in voluntary organisations have
- examining how common skills gaps are in the voluntary sector by types of roles and size of organisations
- exploring how skills gaps are impacting on voluntary organisations and how they are responding.

Our approach

Researching skills and skills gaps is difficult, mainly because both are hard to measure. For the purposes of this briefing, we have measured skills by looking at qualifications, work experience and absence of an identified 'skill

gap'. For skills gaps, we have used three measures that have been self-reported by employers:

- **Hard-to-fill vacancies:** vacancies that employers are finding hard to recruit for
- **Skills gaps in applicants:** vacancies that are hard to fill due to applicants lacking skills. In the data sources, these are referred to as 'skills-shortage vacancies (SSV)'
- **Skills gaps in current staff:** skills that have been identified as missing in employer's current workforce. In the data sources, these are referred to as 'skills gaps'

Our analysis is based on data from two primary sources:

- The Employer Skills Survey 2017 (ESS)
- The Employer Perspectives Survey 2016 (EPS)

These national surveys include a broad range of employers across sectors, ie they are not voluntary sector specific. Because of this, skills such as fundraising and campaigning are not included. For sector-specific skills, we have looked at other sources including the FSI's Small Charity Skills report. It is also worth noting that the surveys only focus on paid staff, not volunteers.

We have analysed both surveys over five years: EPS covers the years 2012, 2014 and 2016 and ESS covers 2013, 2015 and 2017. As these surveys are only conducted every two years, our trend analysis is limited to just three time points for each dataset.

Additional data on workforce demographics including qualifications and previous experience is based on the Labour Force Survey 2018 (LFS) published in the [UK Civil Society Almanac](#).

More information on these surveys can be found in the [Methodology section](#).

Setting the scene: The voluntary sector workforce

To examine skills in the voluntary sector, it is useful to first look at the make-up of the sector's workforce. As of June 2018, the voluntary sector had 865,916 employees, which represents around 3% of the total UK workforce. The number of people working in the voluntary sector has grown by 11% since 2010, although it dropped slightly in the last year (LFS).

The majority of voluntary sector employees were women (67%) and more likely to be older in comparison with other sectors: 38% were aged 50 or over compared to 35% in the public sector and 30% in the private sector. Those aged 16–34 years old represented under a third of the total workforce (29%), however their number has increased by 3% since June 2017. While the proportion of black, Asian and minority ethnic

(BAME) employees in the private and public sector (both at 12%) remained slightly lower than the 13% in the UK population ([2011 census](#)), in the voluntary sector it was distinctly lower at just 9% (LFS).

In terms of working patterns and employment contracts, levels of part-time working were higher in the voluntary sector (37%) than other sectors (25% and 28% for private and public sectors respectively). Voluntary sector employees were also less likely to be on a permanent contract than in other sectors: 9% of the voluntary sector were employed on a temporary contract compared to 7% of the public sector and 4% of the private sector (LFS). These types of working patterns and contracts may exclude or have a greater impact on those with fewer resources, however, more research is needed on this.

Table 1: Summary of employee demographics by sector, 2018 (%)

Source: Labour Force Survey 2018

	Voluntary sector	Public sector	Private sector
Total N of employees	865,916	7,087,452	24,134,174
Gender (%)			
Male	33	34	59
Female	67	66	41
Age (%)			
16–34	29	28	37
35–49	34	37	33
50+	38	35	30
Ethnicity (%)			
White	91	88	88
BAME	9	12	12
Not known	0	0	0
Working pattern (%)			
White	63	72	75
BAME	37	28	25
Type of contract (%)			
White	87	90	77
BAME	9	7	4
Not known	4	2	19

The voluntary sector is highly qualified and experienced

The voluntary sector workforce is highly educated, with over half (51%) of employees educated to degree level or higher (LFS). This is much higher than in the private sector, where less than a third (29%) of employees were educated to this level, but is similar to the public sector. The proportion of those with a degree increased in the voluntary sector, from 37% in 2010 to 51% in 2018. This reflects a general trend across sectors (LFS).

There is also evidence to suggest that those working in the voluntary sector are experienced in the work they do. The lack of relevant work experience was cited by only 15% of voluntary organisations as a reason for having vacancies that are hard to fill, which is slightly higher than in the public sector (11%) but much lower than the private sector (22%) (ESS).

The importance that voluntary sector places on qualifications and previous work experience may come with drawbacks

Half of voluntary organisations placed critical or significant importance on candidates having particular academic qualifications (eg GCSEs, A-levels or degrees), and 70% put critical or significant importance on employees having relevant work experience. This increased with

the size of organisations, from 65% for those with 2–4 employees to 72% for those with 100 or more employees (ESS). Additionally, only 28% of voluntary organisations hired someone into their first job after leaving education, which is lower than in the private sector (31%) and much lower than in the public sector (42%) (EPS). While salary levels may also play a role in whether organisations are able to attract people at the start of their careers (see section on [pay and employment benefits for more information](#)), these findings demonstrate the importance of previous experience when working in the voluntary sector.

The data also suggests that many employees in the voluntary sector have skills or qualifications that are not used by their employers. Over half (52%) of voluntary sector employers said that their staff have qualifications more advanced than required for their current role. This was slightly higher than in the public sector (51%) and much higher than in the private sector (41%). Similarly, when including skills, 43% of employers in the voluntary sector had staff with qualifications **and** skills that are more advanced than required for their current role. This was slightly higher than the proportion in the public sector (41%) and much higher than the private sector (33%) (ESS).

Chart 1: Highest qualification-level by sector, 2018 (% of employees)

Source: Labour Force Survey 2018

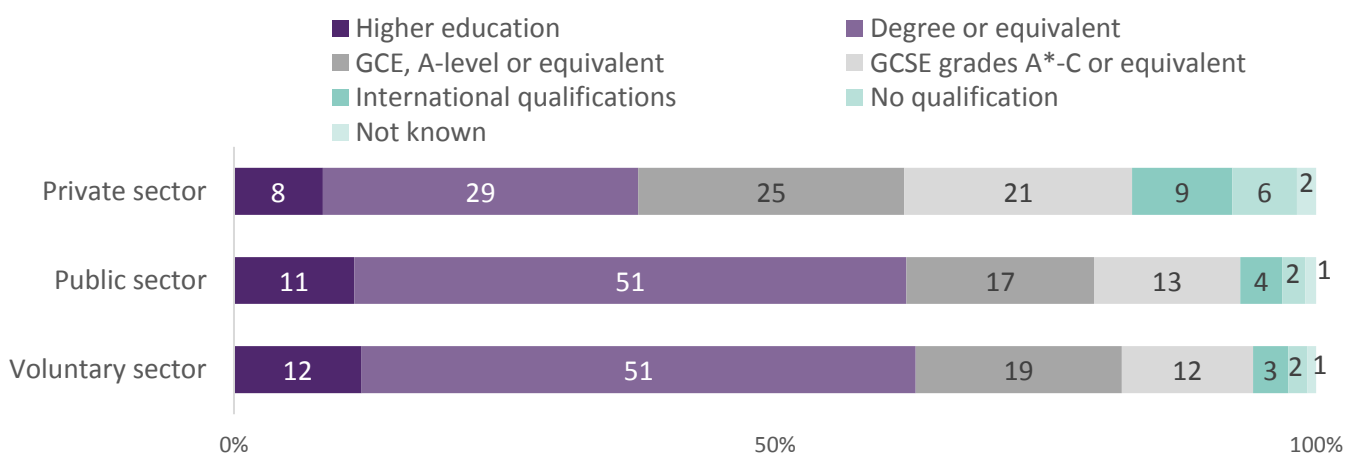


Chart 2: Staff with under-utilised skills or qualifications, by sector, 2017 (%)

Source: Employer Skills Survey 2017



Spotlight: Qualifications, work experience and diversity

The importance placed on having previous work experience and qualifications may exclude those who face greater barriers to gaining these. For example, it may be challenging for young people to enter the voluntary sector as their first job. As mentioned previously, only 28% of voluntary organisations hired someone into their first job after education (ESS).

Over half (55%) of voluntary organisations offered a work placement to people in education, compared to 26% in the private sector and 62% in the public sector. However, only a minority of people on these placements were then offered a permanent or long-term paid role. Less than a third of voluntary organisations had a work placement for people at university (29%) or people in further education or sixth form college (27%), of which 15% and 12% respectively were offered a permanent paid role at the organisation (EPS). All of these factors may impact on the proportion of young people working in the sector.

Educational barriers may also limit entry into the voluntary sector for lower socio-economic groups and those from deprived backgrounds. According to the [Higher Education Statistics Agency](#), students from lower [socio-economic groups](#)¹ made up a minority of higher education student enrolments in 2017/18. For example, 8% of students belonged to the ‘routine occupations’ socio-economic group compared to 25% in ‘higher managerial and professional occupations’. However, further evidence from [UCAS January deadline analysis report 2019](#) suggests that the gap between advantaged and disadvantaged groups applying for higher education is narrowing.

Research from the [Office for Students](#) suggests that people from BAME backgrounds have historically been less likely to enter higher education. While the gap has recently narrowed, degree outcomes still vary by ethnicity. For instance, research from [Advance HE](#) shows that of the BAME people with a degree, only 63% will be awarded a 2.1 or higher compared to 79% of white students. If an organisation has a minimum entry requirement, this may negatively impact BAME people.

The voluntary sector’s value of higher education may also have a negative impact on the number of disabled people working in the sector. Recent figures from the [Higher Education Statistics Agency](#) show that disabled students made up 13% of enrolments in 2017/18, which is lower than the [proportion of working age disabled adults](#) (19%).

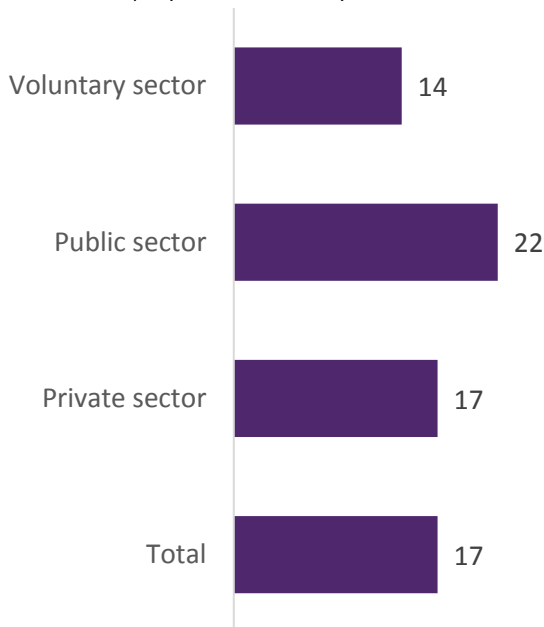
Aside from lack of experience or qualifications, other factors such as salary levels may also impact on the diversity of the sector’s workforce. However, further research is needed to understand the role they play.

The voluntary sector has the lowest incidence of skills gaps of all other sectors

As well as having highly qualified staff, the voluntary sector also has the lowest incidence of skills gaps. According to ESS, 14% of voluntary organisations reported having a skills gap in their applicants and current staff, compared to 17% in the private sector and 22% in the public sector.

Chart 3: Incidence of skills gap among current staff and applicants by sector, 2017 (%)

Source: Employer Skills Survey 2017



Bigger organisations are more likely to have skills gaps than smaller ones

Over a third (36%) of voluntary organisations with 250 or more employees reported a skills gap in their staff, compared to 5% of those with 2–4 employees. This is not just the case for voluntary organisations; the pattern is apparent across all sectors and also consistent over time (ESS).

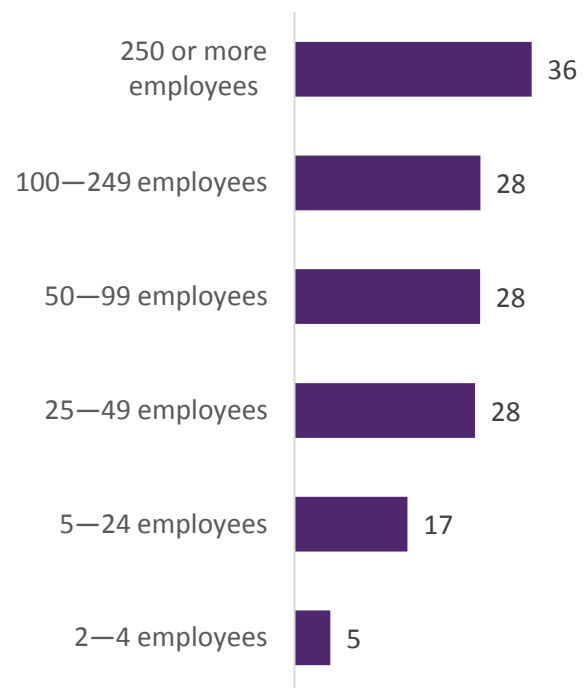
The Employer Skills Survey 2017 showed that, across all sectors, the larger an organisation is, the more likely they were to anticipate an upskilling need, rising from 57% of smaller organisations with 2–4 employees to 82% of larger organisations with 250 or more

employees. This followed the same pattern as previous years. It was also highlighted in the 2007 Voluntary Sector Skills Survey that micro organisations (with 2–9 employees) were more likely to report no skills gaps in their staff (33%) than medium or large organisations with 50 or more employees (25%).

One possible reason for this difference could be that bigger organisations have a greater need for more specialist skills to fill more specialised roles than smaller organisations, resulting in a larger skills gap. However, more research is needed to determine the exact reasons.

Chart 4: Proportion of voluntary organisations with a skills gap in current staff by size, 2017 (%)

Source: Employer Skills Survey 2017



Spotlight: Small voluntary organisations

[The Small Charity Skills report](#) is based on a membership survey of small organisations, defined as those with an annual turnover of less than £1.5m, conducted by the Foundation for Social Improvement (FSI). A total of 952 organisations took part in the survey in 2018–19.

This report examines which skills were rated the highest and lowest by small organisations. Organisations said that they needed most upskilling in areas such as:

- lobbying (57%)
- government relations (54%)
- the latest HR laws (52%).

On the other hand, about three-quarters of organisations rated their skills as good or excellent in:

- basic IT skills (76%)
- organisation skills (76%)
- people management skills (72%).

Fundraisers were the most challenging role to recruit for according to 23% of small organisations.

The report found that funding and finance were clear issues for most small organisations. For instance, salary level was cited as the most common reason for hard-to-fill vacancies by 18% of organisations. Lack of funding for training and development (64%) was also given as a primary cause for skills gaps and 16% gave 'not enough funds to advertise widely' as a barrier for recruitment.

Increased workload for colleagues (48%) was the most common impact of the skills gap mirroring findings from the ESS data. Other impacts on employees were an increased time to deliver work (45%) and a decreased ability to take on new work (42%).

Similar to other studies (eg ESS and EPS), training was cited by almost half of organisations (47%) as an important solution taken to address skills gaps. Two-fifths of organisations also gave 'connecting with a business and using their skills and experience' as a solution to addressing their skills gaps, although only 13% of respondents had this type of programme in place.

The survey also asked voluntary organisations about their fundraising skills. This section of the survey included organisations with incomes up to £5m, however those with an income of £1.5m–£5m, made up only 2% of respondents. This section of the report showed that legacy fundraising (72%), online fundraising (70%) and major donor fundraising (69%) were key skills that were missing from employees.

Skills gaps are having an impact on organisations, particularly an increased workload for staff

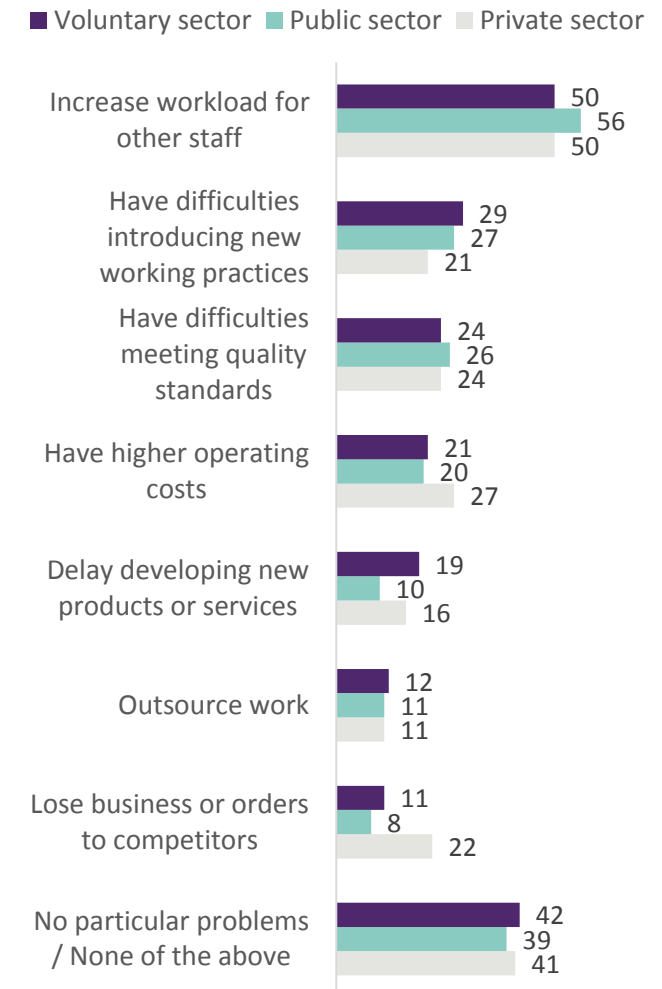
Two-thirds (67%) of voluntary organisations said that skills gaps had some sort of impact on their performance, slightly higher than in the private or public sectors (65% and 66% respectively). In particular, 16% of voluntary organisations said that missing skills had a major impact on their organisation compared to 14% in the public sector and 18% in the private sector (ESS).

The most common impact of missing skills in staff on voluntary organisations was an increased workload for staff (50%). This was followed by difficulties introducing new working practices (29%) and higher operating costs (21%).

This was similar to the impacts observed for missing applicants' skills, with 82% of voluntary organisations saying that this impacted the workload of current staff. Additionally, 45% reported difficulties meeting customer services objectives, 42% reported increased operating costs and 42% reported a difficulty in introducing new working practices (ESS).

Chart 5: Increased workload for staff is the most common reported impact of skills gaps on organisations

Source: *Employer Skills Survey 2017*



Spotlight on: Work and wellbeing

A survey conducted by [Unite the Union](#) found that 80% of employees in the voluntary sector have experienced workplace stress in the last 12 months, and 42% believed that their job was not good for their mental health. While the majority (92%) of employees in the sector believed in the work they do, over a third (34%) of employers did not feel valued at work.

Senior staff are also affected by work-related stress. [ACEVO's Pay and Equalities Survey 2019](#) highlighted that CEOs in the sector work on average 10 additional hours a week. Many also said they are not supported in their role: over a third (35%) did not have regular appraisals, half had no set objectives and 56% did not have any personal development budget. This combination of long hours and poor support may contribute to workplace stress and burn-out.

The biggest skills gap exists for specialist skills

The Employer Skills Survey breaks down the types of skills missing from applicants and the workforce into two categories:

- **Technical and practical skills** – such as IT skills, numerical skills and specialist skills or knowledge
- **People and personal skills** – including time management, teamworking and communication skills

As the survey cuts across different sectors, these skills are not specific to the voluntary sector and as a result, not all skills covered are relevant to voluntary organisations.

Within technical and practical skills, specialist skills or knowledge needed to perform the role were the most common missing skills from applicants (66%) and staff (52%). As mentioned previously, larger organisations were found to have a bigger skills gap possibly because they are more likely to require specialist skills. The type of skills missing from staff seems to support this, with most large organisations reporting a skills gap in 'specialist skills or knowledge needed to perform the role'. Over two-thirds (69%) of organisations with 100–249 employees said this, compared to 54% of organisations with 5–24 employees. Other skills such as operational skills, and management and leadership skills were also more likely to be missing from bigger organisations (ESS).

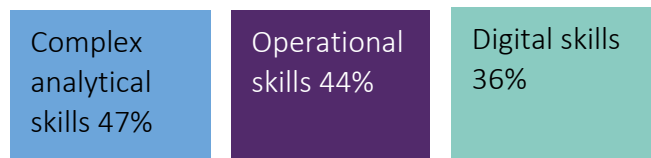
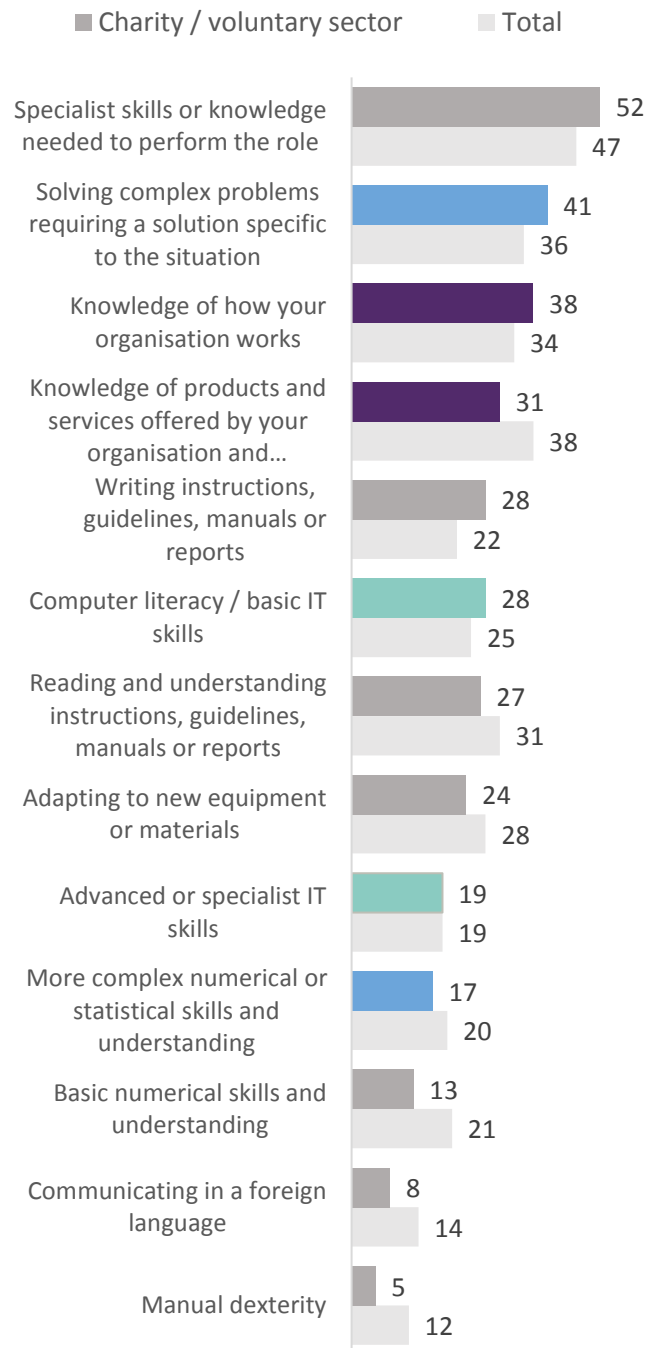
Technical and practical skills

Specialist skills or knowledge needed to perform the role were the skills most missing from applicants and staff. Other technical skills such as complex analytical skills (49%), operational skills and digital skills, such as basic and advanced IT skills (both 43%) were also reported missing from applicants. The prevalence of these missing skills was similar for current staff, with 47% missing complex analytical skills, 44% missing

operational skills, and 36% missing digital skills (ESS).

Chart 6: Technical and practical skills missing from current staff, 2017 (%)

Source: Employer Skills Survey 2017



People and personal skills

For applicants, self-management skills (66%), and management and leadership skills (56%) were the most common missing skills in the voluntary sector, a higher proportion than in other sectors. (ESS).

Self-management skills were also a sought-after skill for current staff as, similar to applicants, this skill was one of the biggest skills missing (67%), along with management and leadership skills (57%) (ESS).

Chart 7: People and personal skills missing from current staff, 2017 (%)

Source: Employer Skills Survey 2017



Spotlight on: Digital skills

According to a calculation in ESS, over a third of voluntary sector organisations (36%) reported that their staff were missing necessary digital skills, and 43% reported missing digital skills in their applicants. This is similar to the proportion reported in the private sector (33% for staff and 31% for applicants) and lower than the proportion reported in the public sector (53% for staff and 40% for applicants).

The digital skills calculation includes basic IT skills and computer literacy which were missing from 28% of current staff (compared to 23% in the private sector and 38% in the public sector), and more advanced or specialist IT skills which were missing from 19% of the current workforce (compared to 18% in the private sector and 33% in the public sector) (ESS).

[The Charity Digital Skills report 2019](#), based on responses from 540 voluntary organisations, showed that more than half (52%) of organisations did not have a digital strategy – an increase from the last two years (45% in 2018 and 50% in 2017). Additionally, while 43% rated their

organisation's understating of digital as excellent or good, almost half (47%) were concerned that they did not have the right digital skills in their organisation.

According to this report, common missing digital skills include artificial intelligence (AI) (76%) and handling data (62%). The government estimates that [AI could add £630bn to the UK economy by 2035](#), so this could mean that voluntary organisations are missing out. Similarly, the importance of GDPR means that organisations with missing data skills could incur penalties. Relatedly, an increasing number of organisations (27%, up from 26% in 2016 and 25% in 2017) were finding it hard to attract or retain staff with the right digital talent (Charity Digital Skills).

According to the [Lloyds UK Business and Charity Digital Index 2018](#), digital capacity in charities has been increasing since 2014. The proportion of charities with a low digital capability has gone down from 73% to 40%. Similarly, almost all (99%) charities are now online compared to 96% in 2014. However, almost half (48%) of all charities still lack basic digital skills, including problem solving, managing information, transacting, creating and communicating.

According to the Charity Digital Skills report, the main barriers to their organisation getting the most from digital were a lack of funding (56%) and a lack of skills (53%). Other barriers such as poor working culture (46%), other priorities (41%) or poor infrastructure and processes such as data protection (36%) were also given by respondents (Charity Digital Skills). While the Lloyds Charity Digital Index lists 'being online is not seen as relevant' (31%) and lack of skills (31%) as the top barriers preventing charities from doing more online. (Lloyds UK Business and Charity Digital Index 2018).

Chart 8: Biggest barriers to organisation getting the most from digital, 2019 (%)

Source: Charity Digital Skills Report 2019



Service-intensive and high-skilled occupations are most affected by skills gaps

Within the ESS, occupations are grouped into 'high-skill', 'middle-skill', 'service-intensive' and 'labour-intensive' jobs.

Table 2: Occupation group and occupations

Source: Employer Skills Survey 2017

Occupation group	Occupation
High-skill	Managers, directors and senior officials: occupations where main tasks involve direction and co-direction of the organisation and other employees (including site managers, head teachers, department heads etc)
	Professionals: occupations that usually require a degree, or formal education and previous experience (including engineers, accountants, IT professionals, teachers etc)
	Associate professionals: occupations that require previous experience and knowledge to assist in supporting professionals or managers. Most will have high level, formal or vocational qualifications, and training (including lab technicians, writers/journalists, therapists etc)
Middle-skill	Administrative staff: occupations that undertake general administrative tasks, clerical or secretarial work (including receptionists, personal/ executive assistants, clerks etc)
	Skilled trades: occupations that undertake complex physical duties that involve manual dexterity and other practical skills, and usually require a substantial period of training (including carpenters, printers, chefs etc)
Service-intensive	Caring, leisure and other service occupations: occupations that involve a provision of personal, travel or hygiene care, usually to the sick, elderly and children (including care assistants, ambulance staff, caretakers etc)
	Sales and customer service occupations: occupations that sell goods or services or provide customer services (including sales staff, call centre agents, customer care operations etc)
Labour-intensive	Process, plant and machine operatives: occupations that involve operating vehicles or other machinery and usually require formal experience-related training (including drivers, machine operators, vehicle inspectors etc)
	Elementary occupations: occupations that involve routine tasks and do not usually require formal educational qualifications (including catering assistants, cleaners, security staff etc)

High-skilled occupations in the voluntary sector had a higher incidence of missing skills for applicants (42%), followed by service-intensive roles (33%). This pattern was reversed when looking at skills missing in current staff, with service-intensive roles being the most likely to have missing skills (39%), followed by high-skilled roles (29%) (ESS).

When examining types of skills gaps in applicants by occupation, most were missing specialist skills (63–75% across occupations) and the ability to manage their own time and tasks (67–86% across occupations), particularly for high-skilled roles such as managers and professionals. Service-intensive roles also had important missing skills, for instance, all (100%) sales and customer service applicants who lacked skills were missing complex problem-solving skills and

the ability to manage their own and other people's feelings (ESS).

We observed a similar pattern for skills missing from current staff, with organisations reporting that most occupations were missing specialist skills (51–76% across occupations) and lacking the ability to manage their own time and tasks (61–84%). Additionally, managers were more likely to be missing the ability to manage or motivate other staff (76%) than other occupations (ESS).

Table 3: Incidence of skills gap in applicants and staff by occupation level, 2017 (%)

Source: Employer Skills Survey 2017

Missing in whom?	Type of skills	Voluntary sector (%)	Private sector (%)	Public sector (%)	Total (%)
Missing skills in applicants	High-skill	42	35	69	37
	Middle-skill	17	31	13	30
	Service-intensive	33	22	16	22
	Labour-intensive	12	18	5	17
Missing skills in current staff	High-skill	29	19	39	22
	Middle-skill	18	19	29	20
	Service-intensive	39	29	20	29
	Labour-intensive	14	33	12	29

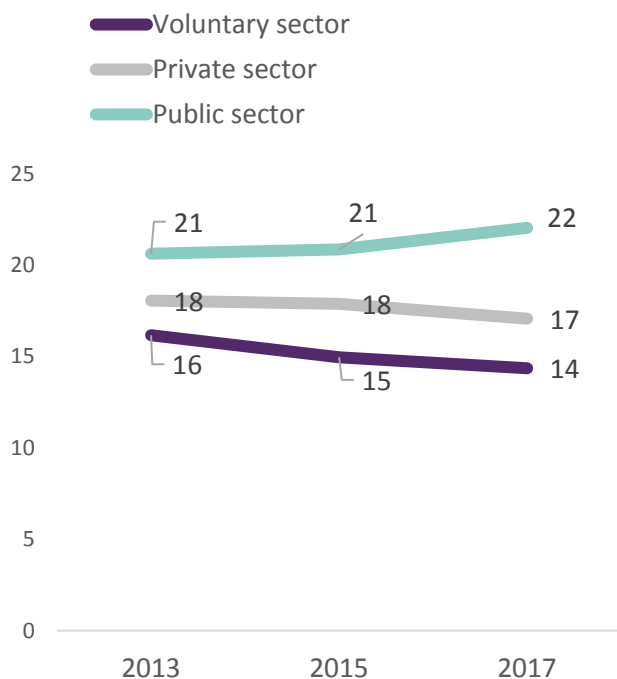
Skills gaps in the voluntary sector have slightly decreased

The proportion of voluntary organisations with a skills gap in their applicants and current workforce has slightly fallen over the years, from 16% in 2013 to 14% in 2017. While the private sector has also seen a small decrease from 18% to 17% over the same period, the public sector has experienced a small increase from 21% to 22%. Future releases of the survey will show whether these trends continue (ESS).

While skills gaps in current staff have decreased from 13% in 2013 to 10% in 2017, skills gaps for applicants has remained relatively static, at 2% in 2013 and 2015, and 3% in 2017.

Chart 9: Incidence of skills gap in current staff or applicants by year (%)

Source: Employer Skills Survey 2013-2017



In terms of the types of skills reported missing from applicants over time, specialist skills needed to perform the role have remained

steady at 66% over 2015 and 2017. Other skills gaps such as managing their own and others feelings have increased in recent years, from 34% in 2015, to 52% in 2017. Applicants' ability to solve complex problems has improved from 47% in 2015, to 41% in 2017.

For skills missing from staff, teamwork has improved from 59% in 2015 to 46% in 2017, while specialist skills have worsened from 46% in 2015 to 52% in 2017¹ (ESS).



Most improved skills

Applicants:

Solving complex problems
More complex numerical/statistical skills and understanding
Advanced or specialist IT skills

Staff:

Basic IT skills
Team working
Advanced IT skills



Least improved

Applicants:

Managing their own feelings, or handling the feelings of others
Team working
Persuading or influencing others

Staff:

Specialist skills
Managing their own feelings, or handling the feelings of others

¹ Questions on types of missing skills for applicants and current staff was asked in 2013 but changes in response

options and how the question was asked meant that the results are not comparable to 2015 and 2017

Skills gaps are mostly linked to incomplete and inadequate training

When exploring the possible reasons for skills gaps in staff and applicants, four key causes emerge:

- Poor/incomplete training
- Poor pay and employment benefits
- Lack of funding
- Poor staff retention

Poor or incomplete training

Inadequate and incomplete training is reported as a key cause of the skills gap. Employers identified training that is only partially completed as the main reason for skills gaps in current staff (60%), closely followed by 'being new to the role' (58%). Another reason given was that staff have been trained but their performance has not improved sufficiently (30% compared to 25% in the private sector) (ESS).

Pay and employment benefits

Poor terms and conditions (eg pay) was the second-biggest reason given for having hard-to-fill vacancies by one-quarter (24%) of voluntary organisations. This was similar to the public sector (23%) and much higher than in the private sector (11%) (ESS).

Issues around pay were more likely to affect those applying for lower-skilled than higher-skilled jobs. Machine operatives (33%), elementary staff (30%) and caring and leisure roles (30%) were more likely to be hard-to-fill due to poor terms and conditions than managers (9%) and professionals (20%). For these higher-skilled roles, having a low number of applicants was the main reason for not being able to fill the position (40% of professional applicants and 43% of manager roles) (ESS).

Further evidence shows that almost half (46%) of voluntary organisations did not offer any pay or incentive schemes for employees. This was much higher than the public (35%) and private (37%)

Chart 10: Main causes of skills gap in current staff, 2017 (%)

Source: Employer Skills Survey 2017



sectors, and more likely in smaller voluntary organisations with 2–4 employees (51%) than bigger organisations with 250 or more employees (13%). Where this type of scheme is offered, it is more likely to be a flexible benefits scheme (41% compared to 47% in the public sector and 36% in the private sector) than bonuses (21% compared to 15% and 43% in the public and private sectors) or performance-related pay (21% compared to 34% and 35% in the public and private sectors) (ESS).

The [Report of the Inquiry into Charity Senior Executive Pay](#) compared median salary levels for voluntary organisations with an income of £1m or more, and private organisations turning over £25m or less. According to this report, salaries for entry-level employees in voluntary organisations of that size made a median salary of £15,607 in 2013 – 93% of the salary offered for entry-level roles in the private sector (£16,814). However, this pay gap gets bigger at more senior levels, with directors in voluntary organisations making a median salary of £110,011 – 72% of salary for directors in the private sector. As this report only looks at organisations of a certain size, it is possible that there may be further difference in pay for smaller voluntary organisations.

Further research suggests that education requirements for these levels of role are higher in the voluntary sector than in the private sector. According to the [Guardian's charity sector salary guide](#), starting salaries in the voluntary sector for those with a degree were similar to the starting salary for programmes in the private sector aimed at those without a degree.

Lack of funding

While lack of funding was only reported by 3% of employers as a reason for having a hard-to-fill vacancy, it may impact on skills gaps in other ways, for instance, by reducing an organisation's ability to invest in training and recruitment.

Around half (51%) of voluntary organisations wanted to provide more training than they were able to. Of these organisations, around two thirds (67%) gave 'lack of funds for training' as a reason for not being able to provide training. This was much higher than the 47% of private sector organisations that reported this (ESS). Research from the Small Charity Skills report also mentions lack of funds for training, confirming that this is a barrier for voluntary organisations getting the skills they need (see section on [small voluntary organisations](#) for more information).

Lacking the funds for staff training was slightly less of an issue than in previous years, as the proportion of organisations reporting this barrier fell from 73% in 2013 to 67% in 2017 (ESS). Similarly, the proportion of organisations not providing external training because it is too expensive has decreased from 18% in 2012 to 13% in 2016. However, the proportion of voluntary organisations using external training has dropped (12% to 9% between 2012 and 2016), with more organisations favouring internal training – ie training run by employees within their organisation – instead (EPS).

Staff retention

Problems retaining staff were also an issue, with 13% citing this as a reason for the skills gap in their current staff. Staff retention was more likely to affect bigger organisations than smaller ones, as those with 250 or more employees were more likely to cite this as reason (37%) than organisations with 5–24 employees (11%) (ESS).

Issues around staff retention could further compound the impact of skills gaps on employees, as a decrease in staff numbers is likely to add more pressure on employees (ESS).

Training is vital for organisations in addressing their skills gaps

Most organisations have taken an action to address skills gaps

The way that organisations address their skills gap depends primarily on where these skills gaps lie: ie with applicants or with current staff.

Generally, organisations are more likely to have taken an action to address skills gaps in applicants (92%) than in their current workforce (86%) (ESS).

To address skills gaps in their current staff, voluntary organisations were most likely to increase their training offer (71%), including increasing their training activity, increasing training spend and expanding trainee programmes. This was more likely to be done in bigger voluntary organisations (86% of organisations with 250 or more employees) than smaller organisations (61% of organisations with

2–4 employees). Other popular actions taken included:

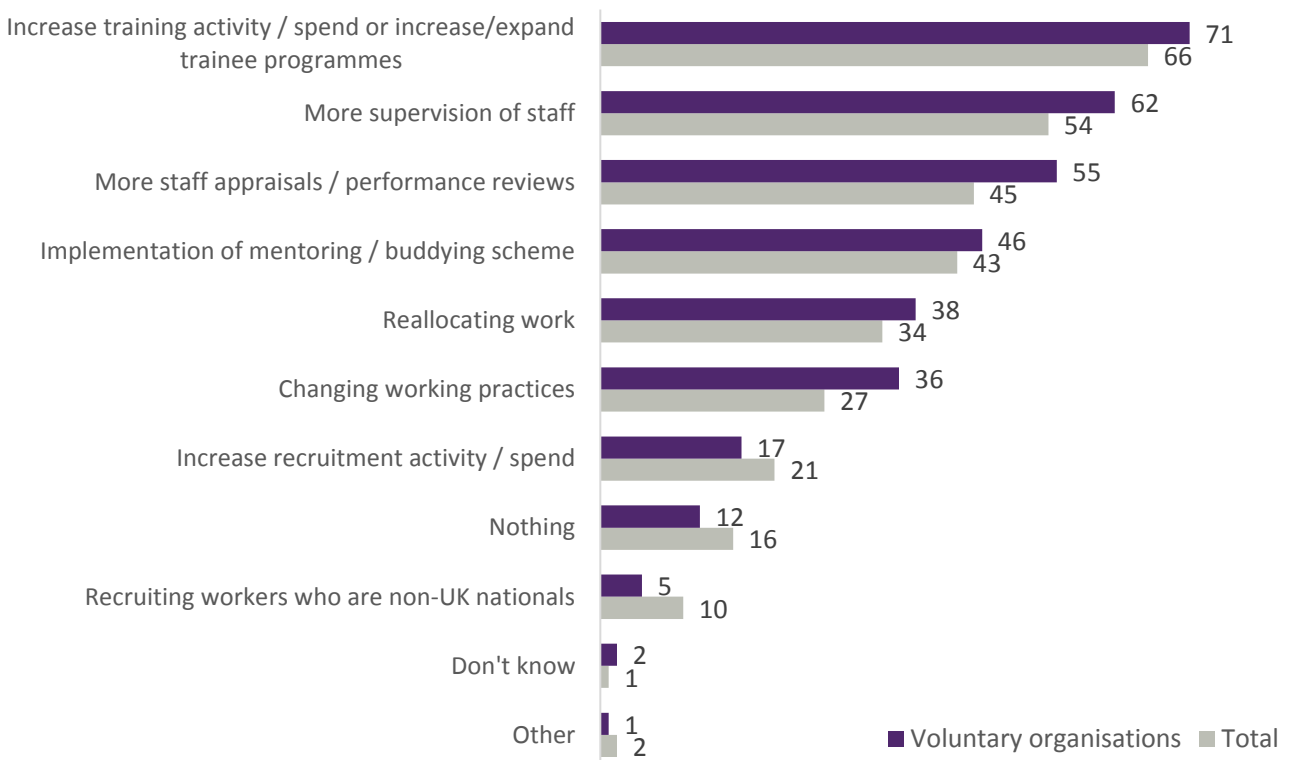
- having more staff supervisions (62%)
- more staff appraisals/performance reviews (55%)
- setting up a mentoring or buddy scheme (46%).

Voluntary organisations were less likely to increase their recruitment spend/activity to address their skills gaps in current staff than organisations in other sectors (17% compared to 21% across sectors). However, bigger voluntary organisations with 100–249 employees were more likely to do this (32%) than smaller organisations with 2–4 employees (9%) (ESS).

For applicants' skills gaps, changing their recruitment strategy was the main way that organisations addressed these. 43% increased their advertising or recruitment spend, and 35% used new recruitment methods or channels. Other measures such as redefining existing jobs

Chart 11: Proportion of actions taken to address skills gap by sector, 2017 (% of employers with a skills gap)

Source: Employer Skills Survey 2017



were more likely to be used in the voluntary sector than other sectors: 18% of organisations did so compared to 14% in the private and 17% in the public sector.

Increasing salaries (7%) and contracting out work (6%) were less likely to be used compared to other sectors (13% and 14% in the public sector respectively and 8% for both actions in the private sector), however bigger voluntary organisations with 250 or more employees (19%) were more likely to increase their salaries than smaller organisations with 2–4 employees (3%) (ESS).

Training is a key solution to skills gaps

As mentioned above, one of the key measures taken to address skills gaps in their staff by voluntary organisations was to increase the training activity of current staff (71%). This is higher than in the private sector organisations (65%) but lower than in the public sector (75%). Of those that provided training, the majority provided induction training (72%) and training conducted online (60%) (ESS). This training was also more likely to be a mix of internal and external training (51%) and both on-the-job and off-the-job training (48%) (EPS).

Training was mostly offered to staff in service-intensive or high-skill roles (76% and 71% respectively). In particular, 80% of caring and leisure staff and 77% of associate professionals received training for their role (ESS).

Of those who did not provide staff with training, the main reason given was that their staff were already skilled (51%). Not having money available for training was also highly ranked by voluntary organisations (15%) and was much higher than the level reported across all sectors (7%) (ESS).

Training provision differed by size of the organisation, with larger organisations being more likely to offer training than smaller ones. For instance, almost all (97%) organisations with 250 or more staff offered job-specific training, compared to 78% of organisations with 2–4

employees. Similarly, 81% of organisations with more than 250 employees offered training in new technology, compared to 41% of organisations with 2–4 members of staff (ESS).

The amount of training given by organisations has remained relatively steady over the last few years, with the prevalence of organisations that have funded or arranged training ranging between 78%–80% in the period 2013 to 2017 (ESS).

Apprenticeships are a good way to gain skilled employees, but only offered by a minority of voluntary organisations

Apprenticeships are another way for organisations to gain the skills they need. 14% of voluntary organisations offered apprenticeships, which is a lower proportion than in the private (18%) and public (28%) sectors. The main reasons given for having an apprenticeship was that it is a good way to gain skilled employees (30%) and that it is a good way to give young people a chance in employment (24%) (EPS).

The main reasons for not offering apprenticeships were that they were unsuitable due to the size of the organisation (17%). Other structural issues such as apprenticeships not suiting their business model (14%) and apprenticeships not being offered generally in their industry (12%) were also given as reasons. Voluntary organisations were more likely to be unable to afford apprenticeships (12%) than the public (7%) and private sector (6%) (EPS).

Around one in four (24%) organisations planned on offering apprenticeships in the future. 12% currently offered apprenticeships and planned to continue to do so, and 12% do not currently offer apprenticeships but planned to do so in the future (EPS).

Around a quarter of organisations recruit non-UK nationals to address skills gaps in their applicants

Recruiting non-UK nationals is another option for organisations seeking to address a skill gap. However, data from the ESS does not specify if this is an intentional recruitment method of organisations or an incidental reflection of their recruitment pool.

Recruiting non-UK nationals was mainly an action taken to address missing skills in applicants (26%) rather than to address skills areas missing in staff (10%). It was lower than in other sectors, particularly the private sector which had the highest proportion of non-UK recruitment to address skills gaps in applicants (39%) and staff (16%) (ESS).

Of voluntary organisations who sought to recruit non-UK nationals to address applicants' skills gaps, a quarter reported that their applicants were from the EU compared to 48% in the private sector and 22% in the public sector. Similarly, of organisations that recruited non-UK nationals to address the skill gaps in their current staff, 28% of employees were from the EU compared to 41% in the private sector and 25% in the public sector (ESS). This reflects the lower proportion of EU workers in the sector (4% in 2018) (LFS).

Spotlight on: Brexit

As mentioned previously, a quarter of organisations which recruited or tried to recruit non-UK nationals to address applicants' skills gaps recruited people from the EU (ESS). Additional data from the [2018 UK Civil Society Almanac](#) shows that the proportion of EU nationals working in the voluntary sector decreased from 5% in 2016 to 3% in 2017. However, the [2019 UK Civil Society Almanac](#) shows evidence that this decline has stalled, with the level of EU nationals working in the sector steady at 4%. Any change in the proportion of EU workers in the voluntary sector is particularly likely to affect voluntary organisations involved in social work activities (eg family services and refugee assistance) and health, as these organisations tend to hire a greater number of EU nationals.

[Research from the Institute for Public Policy Research \(IPPR\)](#) highlighted the potential impact of Brexit on the European workforce in the voluntary sector. Currently, freedom of movement guarantees the right for EU citizens to live and work in the UK and receive equal treatment to the UK citizens. However, Brexit calls this freedom of movement into question and future immigration controls based on skill level could make voluntary organisations less able to recruit from the EU. For example, under current [Tier 2 rules](#) for non-EU nationals, around 82% of EU voluntary sector employees would be ineligible for a visa. The IPPR report also mentioned that the lack of funding available to train replacement UK staff could also be an issue that further impacts skills gaps.

One in four organisations have worked with other employers to develop skills in their workforce

One way that some organisations may seek to upskill their staff is by taking part in skill-share programmes or partnering up with other organisations. Both EPS and the Small Charity Skills survey found that connecting with other organisations or businesses was a key solution to addressing their skills gaps (see section [on small voluntary organisations](#) for more information).

In 2016, 24% of voluntary organisations had worked with other employers to develop skills or expertise in their workforce, compared to 14% across all sectors. In 2014, a third of voluntary organisations had worked with another employer in the last 12 months with regards to training and development practices. While not directly comparable due to changes in the question, the general level of organisations partnering up with other organisations had reduced.

In 2014, when asked about the benefits of working with another organisation, the main reason given was that it enabled them to share best practice from previous experiences (58%) followed by 'it helps to plug skills gaps' (17%). A minority of voluntary organisations (2%) cited that these partnerships provided better or more skilled staff (EPS 2016 and 2014).

While no information is given on the specific schemes used by the organisations surveyed, in 2014 the majority of working relationships between organisations were informal or ad-hoc (62%) or a formal network (51%) (EPS).

Some examples of formal skill share programmes or corporate partnerships are:

- [NCVO's Step on Board](#) scheme: a board-placement programme, supporting employees to volunteer as non-exec directors and trustees of voluntary organisations
- [Team London Skill-UP initiative](#): a London-based programme that joins up businesses and small voluntary organisations to help them develop their skills and become more efficient in their roles
- [The Royal Statistical Society's \(RSS\) 'Statisticians for Society'](#) programme: a professional body of statisticians and data scientists that offer their skills to voluntary organisations and other initiatives that need their professional expertise
- [Cranfield trust](#): an organisation that provides free business services to voluntary organisations
- [Pro bono economics](#): an organisation that matches volunteer economists with voluntary organisations

Key questions and considerations for the sector

This research briefing explored skills and skills gaps in the voluntary sector. While the sector's workforce is well educated and has a wide range of skills, skills gaps still have an impact on voluntary organisations. The findings also suggest that trends differ for individual organisations and the context in which they operate. For example, bigger organisations and those in high-skilled or service-intensive roles are more likely to be affected by skills gaps.

Keeva Rooney

The research team at NCVO exists to inform and shape policy agendas about the current and future strategic challenges facing the sector, and to improve practice development and decision-making. We produce, share and communicate research for the benefit of NCVO, its members and the wider voluntary sector.

In order to assess and address potential skills gaps, organisations may want to consider the following:

Area	Key questions
Skills and qualifications	<ul style="list-style-type: none"> • What skills do we have and what skills are missing? • How are we addressing potential skills gaps we are experiencing? • Are our education and experience requirements relevant for our roles? • Should we stop requesting all information on our candidates' higher education, particularly when it may have a negative impact on diversity (eg name of institution)? • How important are specialist skills to our organisation? • Do the salaries or conditions we offer to applicants potentially impact on the demographic profile of our workforce?
Recruitment	<ul style="list-style-type: none"> • What is our main focus when recruiting (eg knowledge, skills, expertise) and should we think about changing this? • Are we recruiting for roles that require specialist skills in a way that attracts the best talent? • Will restrictions in EU recruitment impact skills in our organisation? • Have we created a post-EU recruitment strategy?
Digital skills	<ul style="list-style-type: none"> • Are we hiring employees with digital skills or ability? • Are we upskilling our existing staff to improve their digital skills? • How does our need for digital skills impact on the demographic profile of our workforce?
Impact on staff	<ul style="list-style-type: none"> • Are the skills gaps in our organisation affecting staff wellbeing? • Are we supporting our staff's mental health? • How can we reduce any impact that skills gaps have on our staff's stress-levels? • What can we do to ensure our staff do not feel over-worked or under-valued?
Training and development	<ul style="list-style-type: none"> • Are we growing our workforce's talents? • Do we prioritise adequate training? • Have we considered other forms of training, such as internal or online training? • How can we ensure that staff feel they are able to take the time to attend training sessions? • How do we build in training as part of the day-to-day for our staff?

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- The FSI (2019): [Small Charity Skills Report 2018-19](#)
- Higher Education Statistics Agency (2019): [Higher Education Student Statistics: UK, 2017/18 - Student numbers and characteristics](#)
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- Lloyds Bank UK: [Business and Charity Digital Index](#)
- NCVO (2019): [UK Civil Society Almanac](#)
- NCVO (2018): [Are EU staff leaving the charity sector?](#)
- NCVO: [Future employment and skills training for disadvantaged groups: a successor to the ESF](#)
- Office for Students: [Analysis of degree apprenticeships](#)
- Office for Students: [Topic briefing: Black and minority ethnic \(BME\) students](#)
- Office for National Statistics (2018): [Labour Force Survey](#)
- Skills Platform: [Charity Digital Skills Report 2019](#)
- UCAS (2019): [January Deadline Analysis Report](#)
- [Unite the Union survey on stress and wellbeing](#)

Further resources

- The Royal Society for the encouragement of Art, Manufactures and Commerce (RSA) (2018): [Measuring good work](#)
- The Royal Society for the encouragement of Art, Manufactures and Commerce (RSA): [Future work centre](#)

Methodology

[The Employer Skills Survey \(ESS\)](#) is run by the Department for Education (DfE) every two years and covers topics including recruitment, skills gaps, training and workforce development. Of the 87,430 respondents that took part in this survey, 6,088 (7%) of respondents were senior members of staff in the voluntary sector. This survey collected data on hard-to-fill vacancies, skills-shortage vacancies (referred to in this briefing as 'missing skills from applicants') and skills gaps (referred to in this briefing as 'missing skills from current staff').

[The Employer Perspective Survey \(EPS\)](#) is also run by DfE every two years, alternatively to the ESS. It surveyed 18,028 employers, 1,666 (9%) of which worked in the voluntary sector and was conducted with the most senior person at the site with responsibility for recruitment, human resources and workplace skills. This survey collected data on hard-to-fill vacancies, skills-shortage vacancies (referred to in this briefing as 'missing skills from applicants') and skills gaps (referred to in this briefing as 'missing skills from current staff').

[The Labour Force Survey \(LFS\)](#) is a survey run by the Office for National Statistics (ONS) and asks respondents about their employment. It surveys an estimated 38,000 households every quarter, and by pooling together data from four quarters, it is possible to produce reliable estimates of the sectors workforce. In 2018, there were 1,200 respondents that stated they worked in the voluntary sector which is about 2.7% of valid respondents