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Managing Career Development in the Not for Profit Sector

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Abstract

This paper provides a report on a pilot study that was conducted to inform a DBA research project. It will investigate employee perceptions of their career development in the not-for-profit (NFP) sector. Theoretical and empirically based literature searches were conducted on career development for this study. Some researchers argue that the old career model (which involves an employee working for an organisation and committed to the organisation and in turn, the organisation offers the employee job security and career progression) has been changing towards a new career concept.¹ This suggests that individual employees rather than the organisation are taking responsibility for their own career development. Others authors have maintained that this new career concept is not universally conclusive.² Despite the growing debate about the changing nature of career and career development, empirical qualitative studies seeking to ascertain employee perceptions of career development in the not-for-profit sector are still very limited.

This preliminary research of employee perception of their career development in the NFP sector shows that the presence of employee training and career management systems positively enhances employee career development and their commitment to the organisation. From a social exchange perspective, employees generally favour an organisation that provides something valuable to them.³ As a result, an organisation that provides support for employee career development creates a positive and supportive image of the organisation to the employees. Work performance also improves and staff turnover is reduced. There are several areas that management can turn their attention to in order to support employee career development within their organisation:

- Offer training in new skills and knowledge to all staff, so that employees can become 'fit for new jobs' laterally as well as vertically.
- Develop and implement learning that takes place throughout the employment period of employees.
- Develop cross-team and boundary learning with other organisations and professions to support employee career development.
- Share visions of the organisation's future plans and development with employees.
- Introduce career planning systems to include succession planning.
- Provide positive career development within an organisation to help management to address issues such as affirmative action, productivity, management selection and equal opportunity.

The advantages for the individuals are an increased sense of self-fulfilment, confidence, and a higher degree of 'marketability' both within the organisation and the external labour market.

The Not for Profit (NFP) sector does not match any stereotype. Its components range from large bodies, such as Age Concern, MIND and Red Cross to regional-based organisations, such as Turning Point, The Richmond Fellowship and also includes small, local self-help groups, all with different organisational structures, management and funding arrangements. The NFP sector is defined as "organisations which are formal, non-profit, and constitutionally independent of the state, self-governing and benefiting from voluntarism".⁴ The following features can be ascribed to a non-profit organisation: "purpose of serving members or the collective rather than profit, democratic decision-making process, priority given to persons and labour rather than capital in the redistribution of revenues".⁵ These characteristics of the NFP sector are the attributes that differentiates the sector from the private and public sector. Also it indicates that the NFP sector environment creates "a different work situation in which employees have to perform with a different work attitude, expectation and skills".⁶

Recent estimates suggest that in the UK the sector employs 688,000 people, representing 2.2 per cent of the workforce.⁷ The sector's employment is characterised by a number of features. These include a high concentration of part-time workers, women and temporary workers. There are a high proportion of workers with high level education qualifications compared to other sectors. Levels of pay in the NFP sector are lower compared to the UK economy as a whole.⁸

Over the last few decades the sector has been going through a considerable number of changes mostly driven by government short-term funding policies and contracting arrangements, which required organisations in the sector to restructure their staffing, management and service delivery style in order to survive. This reinforced the need for increased professional management, implementation of quality assurance standards, human resources management and business strategy development within the NFP sector.⁹ It is claimed that these changes have also effected employees' career development.¹⁰ However, there is limited empirical research on the career development within this sector. This pilot study therefore intends to contribute to the gap in NFP sector literature on career development; by exploring employee perception of their career development The following DBA thesis will then develop a theoretically informed profile of employment conditions and career development in the NFP sector.

Theoretical Framework

For many NFP workers career development opportunities are limited,¹¹ as irregular, short-term and unpredictable funding arrangements make long-term career planning difficult. An exploration of career models will be undertaken in order to establish a framework that will enable employee perception of their career development to be evaluated.

Bureaucratic Career

According to Arthur & Rousseau, the progress of individuals in an orderly employment arrangement within organisations is known as the 'Bureaucratic career'.¹² This career model was developed, with the notion that an internal labour market included internal recruitment (except at the entry level), and structured upward promotion with low staff turnover. In such an organisation, it is the organisation that defines the individual's career development and

success. In this context, advancement means progression to within the organisational hierarchy while growth means promotion to a higher position.

Professional Career

However, Hall suggests that career is best conceptualised as progressing through a systematic sequence, from one position to another, within an individual's profession.¹³ This implies membership of a professional body that is independent of the employing organisation, and meeting the requirements of the professional body's own codes of practice. Therefore, some types of occupations (such as the accounting, medical and legal professions) are seen as having a sequential progression structure whereas other occupations do not. Therefore, any job within an occupational grouping, which does not offer individuals the opportunity for a systematic progression, is not regarded as constituting a career. Kanter argues that one of the major benefits of a professional career is that it does not depend on individuals attaining retirement age or moving to other positions in order to move up the organisational hierarchy.¹⁴

Evolutionary Career Stages

Arthur & Rousseau infer that career stages are not only applicable to professionals, because for some individuals career development is identified by different stages of their working life, which are identified by specific activities and psychological adjustments.¹⁵ Miller & Form argue that for most individuals these stages will correlate with age. They suggest that individuals go through five periods of career development:

- Preparatory work period: Introductions of a child to the world of work by the family, school, and significant others.
- Initial period: The young worker commences their working life by experimenting with part-time work as a foundation for future full-time work.
- Trial period: This period marks entry into regular employment.
- Stable work period: Mid-thirties to the late sixties marks the period of job permanence.
- Retirement period: One withdraws from active work.¹⁶

Along the same lines as the above career development model, Super depicts a vocational career model, where he argues that individual career development is implemented through the following five life stages:

- Growth stage (Birth – 14 years)
- Exploratory stage (15-25 years)
- Establishment stage (25-45 years)
- Maintenance stage (45-65 years)
- Decline stage (65 years – death)¹⁷

These life span career models can be useful in determining an individual's career decisions at different stages of their career. However, they are insufficient for understanding the implications of other variables such as gender, social class and varied career structures, which individuals may go through without following these stages.

The bureaucratic, professional and evolutionary careers discussed above are referred to as the old career model; they are increasingly being challenged by many career management researchers, who have introduced the concept of the new career model. For example, Hall argues that the traditional view of career as a linear progression has been changing since the 1980s.¹⁸ He continues that, although in the past, the measures for assessing success were mainly factors such as salary, position level and status, currently individuals are more likely to apply personal criteria, for example, self-fulfilment and contentment, for assessing success. Other researchers have also noted the limited applicability of the old career model. For instance, De Fillippi and Arthur argue that the hierarchical characteristic of the old career model is insufficient to describe the changing view of career development.¹⁹ Employees are gradually taking more responsibility for their own career development, whilst employers are taking less. Employees are offered training and continuing development, thus enabling them to find other jobs if and when their employer should no longer require their services.²⁰

Furthermore, Waterman et al. add that the bureaucratic career model hinders individual initiative and ties the individual to one organisation for their development and progress throughout their working life.²¹ Kanter suggests that careers can no longer be viewed as an upward progression through an organisational or occupational hierarchy.²² Instead, they must be viewed as evolving in other ways suited to the needs of the organisation.

Some researchers have used the term 'boundaryless career' to describe the career models that are emerging as the economic, technological and social changes transcend organisational systems and functions.²³ Parker argues that in order for an individual to have a successful 'boundaryless career', it is crucial that the individual acquires the skills of knowing why, how, when and where to develop their personal career goal, as the intelligent career model suggests.²⁴ The focus for individuals is to develop skills and knowledge, which are applicable in other employment positions of their choice rather than focusing on developing a lateral career move.

In recent years careers have also been described as evolving in a spiral form, whereby individuals will from time to time make major moves across job specialities or disciplines, which will allow them to gain experience in many fields.²⁵ Furthermore, Driver argues that, as individuals move from one organisation to another, the knowledge and skills they have developed in their present organisation are transferred to their next job or assignment.²⁶ A study of third sector employees' career development in Australia concludes that the majority of employees pursue a career that matches the spiral career model rather than the linear career model.²⁷

Although there are suggestions that the new career model has replaced the old career model; some contemporary researchers have a contrasting view from which they argue that the old career model has not completely disappeared.²⁸ Following a broader examination of organisational and societal changes, Jacoby suggests that career jobs still exist, and that employee and employers are still pursuing the old career model.²⁹ He also points out that the new career model is not supported by substantial research-based evidence and that the long term employment experienced by many public and private sector employees indicates that

the long-term career in one organisation still exists. He concludes by suggesting that the changes that are being experienced by employees do not represent a major change in the nature of employment relations, but rather reflects more minor changes in the allocation of risk from employers to employees due to the technological and environmental changes affecting organisations. Guest and Mackenzie argue that the suggestions about the 'end of organisational careers' is not completely true.³⁰ From their research findings they conclude that we must not dismiss the old career model yet. Although these debates are helpful in contributing to our understanding of different career models, empirical qualitative studies that seek to ascertain employee perceptions of their career development in the not-for-profit sector are still very limited.

The remainder of this paper will begin to explore the notion that within the not-for-profit sector, employee perceptions of career development differ from those identified by other researchers.

Research Questions (RQ)

In order to gain an understanding of an employee's perception of their career development, this study will address the following questions; devised to draw some conclusions about the NFP employees' perception of their career development.

RQ1: What do NFP employees believe they have gained from their career development?

RQ2: What are NFP employees' career development expectations?

RQ3: What does this research tell us about career development in the changing world of the NFP sector?

From the conclusions, recommendations can be made for best business practice within the NFP sector.

Methodology

This research is based on a small sample of employees at one particular NFP, *TASHA Foundation (TF)*. Questions were devised to analyse employees' perceptions of their career development. TF offers counselling, information, support and holistic health care for those affected by problematic drug use and related mental health issues. The company employs approximately forty employees and has a history of long-term employment, as over half of the staff has been at TF for over seven years.³¹ This is unusual for a medium size NFP organisation with a tight budget and limited resources. The research strategy adopted is therefore a multiple case study within one organisation. The study employs a qualitative approach involving face to face semi-structured interviews with fourteen employees and used interpretative phenomenological analysis. Among these interviewees there were three managers, four project co-ordinators, four counsellors and three project workers. The sample comprised seven female and seven male employees, all of whom have worked at TF for more than five years and have held different jobs within the organisation. Hence, it was thought that they would have a long standing perspective on career development at TF. It was also important to explore their career development expectations of TF due to their long term tenure

with the company. The age range for male interviewees was 28 – 54 and 27 – 59 for female interviewees.

Analysis and discussion of findings

RQ1: What do TF employees believe they have gained from their career development?

Most respondents regard on-going training and across-team working as an important measure of career development. This was supported by statements such as:

“I was recently working with a new client group and straight away I was on a training course to help me to improve my skills and development”; “When I started work here, I had the opportunity to attend courses before seeing clients. We have a quarterly training programme, and the training courses I have attended are brilliant”.

These findings reflect closely the findings of Whymark & Ellis, where employees from the private, public and NFP sector reported that in-house training and cross project team working were the avenues for managing career development.³² Over half of the respondents rated continuous professional development as important. This was particularly important for counsellors, perhaps reflecting the nature of their job, where clinical excellence and professional achievement are perceived to be important. This was supported by statement such as these:

“I attended a course on XXX Therapy. This allowed me to get a swifter result with my clients and therefore more effective”.

“I’m given the freedom to make decisions about how best to deal with clients, my level of expertise has increased threefold due to the on-going training that I attended, this all helps to move you up a ‘scale’ when the opportunity arises”.

These findings suggest that on-going training, from which they can develop their skills, is important to the counsellors. They also expect their attainment to be recognised and rewarded with freedom to make decisions with their client work. This seems to suggest that their perceptions of career development are still strongly influenced by the traditional model of vertical hierarchical career progression.

RQ 2: What are employees' career development expectations of TF?

Nearly half of the respondents said that they alone were responsible for managing their careers.

“When I started I was introduced to the team and the service that we provide. I used my initiative to arrange to shadow X in meetings, went through project monitoring forms, and booked myself on a couple of courses on how to develop the role. I couldn’t have done this job if I didn’t take these initiatives”; “I am always attending courses to improve my skills”; “I am attending as many courses as I can fit in. I want to be a manager one day”.

The remainder said that the responsibility for managing their careers was a joint partnership between themselves and the company. Accepting the concept of the ‘new career models’, these findings show that employees at TF are prepared to take some responsibility for their own progression, but they also expect the company to contribute towards their development.

Those who state that the responsibility for managing their careers is a joint one say they could not have achieved their objectives without the support of the company. Some mention that they had been fortunate in having particularly supportive managers, who have been instrumental in helping them develop. Others said that the company had given them positive support by part-sponsoring their studies.

Nearly half of the respondents said that they thought their next move would be within the company or within the sector. One respondent said that her career move would probably be to another company to gain experience of working with a different client group. "Sometimes the future looks pretty shaky. It is therefore really important to make sure that one gains as many qualifications as possible for my career development here or elsewhere".

Another respondent was not sure as it depended on what new developments are being created within the company. "I do not know what the future service developments are". "No one has discussed my career development plans with me. I will stay here if nothing better comes up somewhere where I can use all my skills"

These views are supported by the spiral career model which argues that individuals will move from job to job, or across occupational areas to allow themselves enough time to gain experience in many fields during their career lifetime.

A third of respondents state that there were few upwardly mobile opportunities within the organisation, believing that this is due to the size of the organisation and the limited catchment area that it covers. However, two respondents state that it offered real development opportunities for counsellors who wish to remain practitioners. These findings links into Kanter's professional career theory which suggests that for professionals career growth involves the opportunity to engage in activities which challenges their skills and ability.³³

Most of the respondents felt that there should be more opportunities for an individual who wants to work in other teams in order to gain extra skills. Cross-team working was perceived by these individuals as being a useful means of understanding what goes on in other parts of the organisation and in different Boroughs where the organisation provides services.

Nearly two thirds of all respondents said that trying out different jobs with more and varied responsibility would encourage them to stay with the company. Almost half of the respondents said that more training opportunities, job variety and promotional prospects would encourage them to stay. One respondent stated:

"I would like more responsibility, you can only get that when you are managing, I'm heading to be a manager".

Another respondent stated:

"I have been progressing steadily within this company. I started as a project worker, then I got promoted as a team leader and now I'm a manager."

The fact that a significant proportion of respondents at TF wanted promotion would seem to indicate that *in most cases* the desire for more responsibility is generally equated with promotion, although not necessarily in all cases. None of the counsellors indicated that promotion prospects would encourage them to stay with the organisation, suggesting that this was not quite such a critical issue for the counsellors as other members of the organisation. The fact that a large proportion of the respondents said that if they were informed of promotion prospects, this would encourage them to stay with the company, indicates that vertical career progress is an important issue for the individuals.

RQ 3: What does the research tell us about career development in the changing world of the not-for-profit sector?

Under half of the respondents felt that their role would become non-specific in the future. Four respondents felt that their role would remain broadly the same. Some were anticipating non-specific management role in the future, indicating that this was a function of rising up the organisation hierarchy ladder.

One respondent stated:

"A management role is like being Jack of all trades... being flexible with your job role".

A respondent who thought that his career would remain the same was interested in developing his career through a particular specialist area. Another respondent is in the process of undertaking a course which he feels will lead his career through a specialised route.

"I have got myself this XX course which will enable me to specialise in XX in working with XX clients..... this is a dream come true".

These findings show that individuals are aware that in order to be successful in the future, they will need to develop a broader knowledge and understanding, and be prepared to be more flexible and able to take on new roles if and when they become available. This would also seem to suggest that in common with many other NFP organisations, job roles at TF will increasingly require individuals who are multi-skilled and able to adapt to the changing needs of the organisation. In order to meet organisational requirements, individuals are required to continuously up-date their skills in order to develop their career.

All the respondents mentioned that a high level position was an ultimate career goal. Just over half saw a balanced work and family life as being one of their career objectives. Although a majority are striving towards achieving a higher level position, emphasis is placed upon having a work-life balance by many of the respondents. One of the respondents stated: "Whilst I am ambitious, I do not wish to become a stressed nervous wreck..... I still want the top job one day"; "I am seeking to be promoted soon, as the money will come in handy..... I still want to see my kids before they go to bed".

These findings reflect the views of McDonald et. al. and Jacoby and the research findings of Smith-Ruig which illustrate that the traditional career model has not completely disappeared.³⁴ Half of the respondents plan to stay with the company for two to five more years, reflecting TF's tradition of long service.³⁵ Over half of the respondents state that they are committed to

the company's ethos and clients. They stated that they want to stay with the company for a substantial period of time as they have seen the company grow and feel that it has the potential to provide them with a long term career, indicating that the concept of a 'cradle to grave' career may be very far from gone at TF.

Conclusions

This research has highlighted that there is mixed evidence on the changes in the nature of career structure and career development in this particular area of the NFP sector. It was not conclusive that career development has completely shifted towards individual employee rather than organisational responsibility as the new career models have suggested; yet neither were employees totally adopting the old career models. The small sample used for this project makes it difficult to generalise, nevertheless the general conclusion is still valid.

Career development opportunities

Research findings were clear that an individual's career development is linked to both personal and company strategy to increase capacity and capability.

- Employees feel that they are supported by the company to develop and enhance their skills.
- Some employees recognise that they have responsibility for their own career development. This supports the new career models which suggests that employees are prepared to take some responsibility for their own career development and progression.
- Employees are found to be taking a different route to facilitate their career development. This varied from those undertaking in-house courses to those undertaking ongoing further qualifications.
- Employees considered lateral moves to be a perfectly adequate route to increase their skill base, knowledge, development opportunities and employability.
- Employee commitment was dependent upon the company's ability to meet their needs and offer them promotion and job satisfaction.

Career development needs

The findings also show that employees expressed the view that there were a range of factors that affected their career development needs. These include the lack of:

- Cross-team or inter-organisational learning.
- Long-term career planning and succession.
- Shared vision on future service development.
- Protected training budget.

The findings from this research will be strengthened by my DBA research, which will replicate the study with a larger sample by including other organisations to allow more consistent results to be obtained, while an additional level of analysis will be drawn from comparisons made between organisations. The final thesis will also:

- Examine if there is a relationship between identified career models of NFP employees and demographic variables such as gender, age, ethnicity, and educational qualifications.
- Examine if there are specific organisational and societal factors that influence employee career development.
- Explore the relationship between employee commitment to organisations and their career development.

In an era when commitment and flexibility are the cherished characteristics of staff members, organisations cannot afford not to pay attention to the career needs of their employees. Therefore, it is anticipated that the DBA research will recommend practical guidelines that will enable NFP sector organisations to develop career development policies that will incorporate employee needs as well as organisational needs.³⁶

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