

# **SKILLS AND TRAINING IN THE NON-PROFIT SECTOR**

Kathryn McMullen  
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CPRN Research Series on  
Human Resources in the Non-profit Sector  
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## Foreword

Adapting to a complex and changing environment means that organizations and the people they employ must be adept at developing new products, processes and ways of doing things. There can be little doubt that change and complexity describe the environments faced by many organizations in the non-profit sector, where changes in the revenue base, in relations with governments, in fundraising methods, and in patterns of volunteering have radically altered the demands on the workforce.

This means that people working in the sector will need to constantly develop new skills. Training is one of the tools available to enable individuals and the organizations they work for to adapt to change and to be creative in the solutions they find to the challenges they encounter.

In this report, the third in CPRN's series on human resources in the non-profit sector, Kathryn McMullen and Grant Schellenberg focus on issues around skills and training in the non-profit sector. They find that the incidence of training is relatively high in the sector, certainly compared to the for-profit sector – a finding that may be surprising to some, given the constraints faced by many non-profit organizations.

These results can be explained in part by the fact that employees in the sector tend to be highly educated professionals – the kind of employees who traditionally have received more training. And many employers in the sector clearly are responding to the training needs of their employees.

This report provides the first documentation of the state of training in the non-profit sector. It shows the value of training – employees who receive training feel prepared to do their job. But the report also creates a thirst to know more – about specific skill requirements in the sector; about whether the training that is being provided is the kind of training that is needed; about the opportunities employees have for applying new skills in the workplace; and where the gaps in training exist.

A number of new research initiatives focusing on the non-profit sector have recently been launched. This report highlights questions that could be probed more deeply in order to assist the sector in identifying its skill needs and in targeting its training investments.

Judith Maxwell  
March 2003

## Executive Summary

Interest in the non-profit sector has surged in recent years, along with recognition of the contributions of the sector, socially, culturally and economically. But, while we have begun to learn more about volunteers and charitable giving,<sup>†</sup> relatively little is known about how the sector, and organizations within it, are organized. In particular, there has been a notable absence of information about paid employees and human resource issues in the sector.

Statistics Canada's 1999 *Workplace and Employee Survey (WES)* provides data, never before available, on non-profit organizations and the paid workers they employ. Drawing on the *WES*, Canadian Policy Research Networks examines a range of human resource issues in the non-profit sector in a series of five research reports. This is the third in that series.

Like other sectors of the economy, the non-profit sector is experiencing significant change in its external environment. That requires adjustments on a range of organizational dimensions. The focus of this report is on issues of changing skill needs and training. We examine changes in skill requirements using several indicators, placing the non-profit sector in a comparative context with the for-profit and quasi-government or 'quango' sectors. We consider the incidence of training across establishments and paid employees, the types of training provided, training practices, the characteristics of employees who receive training, and the perceived adequacy of training.

Using data on non-profit status and industry classification, we classify employers and employees into three sectors, which are further subdivided into sub-sectors:

- *For-profit*;
- *Quango* (non-profit organizations in 'quasi-public' industries, including elementary/secondary schools, colleges/universities, hospitals and public infrastructure);
- *Non-profit* (culture, recreation and associations; health, education and social services; and 'other non-profit' industries).

The primary contribution of this report is to add to our knowledge about the incidence of training in the non-profit sector and the characteristics of employers who provided training and of employees who participated in training in 1999. But that is only part of the training story, leaving open questions around unmet training needs, the need for specialized kinds of training, and the utility of the training that is received – all important areas that are in need of further research. That being said, having information never before available on the incidence of training

### ***The 1999 Workplace and Employee Survey (WES)***

For the purposes of our analysis of the non-profit sector in Canada, the following key features of the *WES* are worth noting:

- Data were collected from a nationally representative sample of workplaces and paid employees in those workplaces;
- The *WES* includes only workplaces that have at least one paid employee; it does not include workplaces run entirely by volunteers, nor does it include volunteers who work alongside of paid workers;
- The *WES* excludes religious organizations and establishments in government, some primary industries, and the Territories.

<sup>†</sup> See Statistics Canada, National Survey of Volunteering, Giving and Participating.

for different types of employer and by a range of employee characteristics is a necessary first step in the process of deepening our understanding of human resource issues in the non-profit sector.

## **Employee Perceptions of Skill Requirements**

### ***Minimum Education Requirements***

Overall, 61 percent of employees of non-profit organizations believed that a post-secondary credential (university, college or a trade certificate) was necessary to do their job. This was a far higher share than was the case for employees in the for-profit sector (36 percent), but lower than in the quango sector (70 percent).

Perceptions of minimum educational requirements partly reflect the occupational composition of employment in the three sectors, with managers and professionals, many of whom require a post-secondary education, accounting for relatively larger shares of employment in the non-profit and quango sectors than in the for-profit sector.

### ***Changes in Skill Requirements and Technological Complexity***

About half of employees in both the non-profit and the for-profit sectors reported increases in overall skill requirements since beginning their current jobs. This was somewhat lower than in the quango sector, where close to two-thirds of employees reported increasing skill requirements.

Perceptions of increasing skill requirements were comparable for non-profit and for-profit employees within professional, technical/trades and clerical/administrative occupations. However, managers in the non-profit sector were much less likely than those in other sectors to report that the skill requirements of their jobs had increased. Further research is needed to identify why this is the case. One possible explanation is that non-profit managers have always functioned in a complex environment and see less change in skill requirements.

Perceptions of increases in technological complexity were roughly similar for professionals in all three sectors. However, managers and technical/trades occupations in the non-profit sector were less likely to report increasing technological complexity than their counterparts in the quango and for-profit sectors.

In part, these differences reflect differences across sectors in the extent to which employees use computers at work. For example, close to two-thirds of employees in the for-profit finance and business and information and culture industries reported using a computer for at least half of their workday. This compares to only 14 percent of employees in non-profit health, education and social services.

These variations highlight fundamental differences across employees in different industries. Many employees in the non-profit health, education and social services sub-sector are in ‘caring’ professions – they are nurses, doctors, teachers and social workers. The non-profit culture, recreation and associations sub-sector includes professionals in the performing arts and workers

in museums and sports organizations. Computers have not yet replaced many of the services provided by such professionals.

This means that while workers in the non-profit sector will undoubtedly need to adapt to new computer technologies in the workplace, large segments of the sector will be faced with a need to adapt to other kinds of skill shifts as well. This implies that training needs will be no less important than in other sectors, but that they may encompass different kinds of skills.

## **Employer-sponsored Training**

### ***The Importance Attached to Increasing Employee Skill Levels***

Employers in all three sectors rate the importance of increasing employee skills highly, with close to 70 percent rating this as an important or crucial part of their organizational strategy.

There is a relationship between the importance attached to increasing employee skills and establishment size. While virtually all establishments in the non-profit sector with 20 or more employees rated increasing employee skills as an important or crucial part of their organizational strategy, this was the case for only about 30 percent of establishments with fewer than 20 employees.

At a more detailed industry level, employers in the non-profit health, education and social services and culture, recreation and associations industries ranked in the middle in terms of the proportions rating increasing employee skills as important or crucial. The two quango industries and the for-profit information and culture industry ranked highest in this regard.

Employers paid more than lip service to the importance of increasing employee skills – the percentage of establishments that provided training to at least some of their employees in the previous year was in fact higher for employers who rated the importance of increasing employee skill levels highly.

### ***The Provision of Training by Employers***

Both small and larger establishments in the non-profit sector were more likely than their for-profit counterparts to provide training for their employees. This was especially evident in the case of classroom training,<sup>††</sup> and the provision of subsidies, reimbursements or other assistance for training or courses taken outside paid working hours. Training in the for-profit sector was more likely to consist of on-the-job training.

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<sup>††</sup> Classroom training is defined in the *WES* as all training activities that have a pre-determined format and objective, with specific content, and with progress that can be evaluated or monitored

### ***Who Gets Training***

Almost half of employees in the non-profit and quango sectors reported having participated in training in the previous year, compared to about one-third of employees in the for-profit sector. Women and employees aged 35-44, and especially those 45 years or older, in the non-profit and quango sectors were much more likely than their for-profit counterparts to have received classroom training in the previous year. The quango sector ranked highest in this regard.

Managers in the non-profit sector were much more likely to have received classroom training than managers in the for-profit sector (56 percent and 41 percent, respectively), while the incidence of training among professionals was similar in the two sectors (57 percent and 53 percent, respectively).

In all three sectors, employees with a university degree were more likely to have received training than other groups.

The non-profit sector is set apart by the fact that the rate of participation of women in training was higher in every occupational and educational group, especially compared to the for-profit sector. This ‘non-profit training premium’ was relatively high for women with a college education or some-post-secondary education, and was higher still for women whose highest level of education was high-school completion or less.

Professional training was the most common type of training reported by employees in the non-profit sector, whereas computer software training was most common among employees in the quango and for-profit sectors. However, large percentages of employees in all three sectors classified the training they had received as ‘other.’ A goal of future research should be to identify this training more specifically.

### ***Perceived Adequacy of Training***

About 36 percent of employees in the non-profit sector and 38 percent of those in the quango sector said that the amount of training they received was too little for the demands of the job; this compares to only 27 percent of employees in the for-profit sector. The gap between the for-profit and non-profit sectors on the perceived adequacy of training is evident across occupation and establishment size.

The analysis suggests that training does make a difference for non-profit employees, insofar as individuals who had received training were more likely than others to feel prepared to do their job. This was not the case for employees in the quango and for-profit sectors, however, where regardless of whether an employee had received training or not, similar percentages reported that the amount of training was inadequate.

Compared to employees in the quango and for-profit sectors, however, non-profit employees were somewhat more likely to say that the amount of training available had decreased since they

began working for their current employer and were somewhat less likely to say that it had increased.

## **Conclusion and Research Gaps**

Given the concerns that have been expressed about the pressures facing many organizations in the non-profit sector, the incidence of training might have been expected to be lower in the sector compared to other sectors. But the evidence suggests that on a number of training indicators, the non-profit sector performs better than the for-profit sector (though on most dimensions, the performance of the quango sector is strongest).

But, having information on the incidence of training is only the beginning of the story. More research is needed on a number of important issues. These include the need for:

- Analysis over time. Having data for 1999 provides only a snapshot and cannot tell us about overall trends – for example, was 1999 a ‘typical’ year or was there an element of ‘catch up’ at work?;
- Analysis of trends in skill requirements and whether the amount of training that is given is adequate to meet changing skill needs;
- Analysis at the level of individual industries, to identify where finding the resources to invest in employee training remains a problem for individual organizations or parts of the sector;
- Analysis of the effectiveness and relevance of the training that is given and of the scope employees have for applying newly-acquired skills in the workplace; and
- Analysis of specific skill requirements within non-profit sub-sectors, including the development of skills profiles and identification of training requirements.

Like other sectors of economy, the non-profit sector has been affected by broad structural changes taking place in the national and global contexts. Deep and very fundamental changes are having significant impacts on the sector, with implications for skill requirements and training. It is important that the sector continue to deepen its understanding of what its skill and training needs are as it works to meet the organizational and human resource challenges posed by change.

## Résumé

L'intérêt suscité par le secteur à but non lucratif a monté en flèche ces dernières années, de concert avec la reconnaissance de l'apport du secteur à la vie sociale, culturelle et économique. Mais, même si nous avons commencé à en apprendre davantage sur les bénévoles et les dons de charité<sup>†</sup>, nous ne connaissons que relativement peu de choses sur la façon dont le secteur et les organismes qui le composent sont structurés. En particulier, il existe une absence notable de données sur les employés rémunérés et les questions de ressources humaines dans ce secteur.

L'*Enquête sur le lieu de travail et les employés (ELTE)*, réalisée par Statistique Canada en 1999, contient des données qui n'étaient pas disponibles auparavant sur les organismes à but non lucratif et les travailleurs rémunérés qu'ils emploient. En s'appuyant principalement sur l'*ELTE*, les Réseaux canadiens de recherche en politiques publiques examinent un large éventail de questions relatives aux ressources humaines dans le secteur à but non lucratif dans une collection de cinq rapports de recherche. Il s'agit dans ce cas-ci du troisième rapport dans cette collection.

À l'instar des autres secteurs de l'économie, le secteur à but non lucratif fait face à d'importants changements dans son environnement externe. Il lui faut donc procéder à des ajustements dans un éventail de dimensions organisationnelles. Le présent rapport traite des questions relatives à l'évolution des besoins en compétences et en formation. Nous analysons l'évolution des besoins en compétences en utilisant plusieurs indicateurs et nous comparons le secteur à but non lucratif au secteur à but lucratif et au secteur des « organisations gouvernementales semi-autonomes » ou secteur parapublic. Nous considérons l'incidence de la formation parmi les établissements et les employés rémunérés, les types de formation offerte, les pratiques de formation, les caractéristiques des employés qui reçoivent de la formation et les perceptions en ce qui concerne le caractère adéquat de la formation.

En utilisant les données fournies par les répondants en ce qui concerne le caractère à but non lucratif et la classification industrielle, les employeurs et les employés furent répartis en trois secteurs, qui furent ensuite subdivisés en sous-secteurs :

- *Secteur à but lucratif*;
- *Secteur des organisations gouvernementales quasi-autonomes* ou *secteur parapublic* (organisations à but non lucratif dans des industries « parapubliques », y compris les écoles

### ***L'Enquête sur le lieu de travail et les employés (ELTE) de 1999***

Pour les besoins de notre analyse du secteur à but non lucratif au Canada, soulignons les caractéristiques majeures suivantes de l'*ELTE* :

- Les données furent tirées d'un échantillon national représentatif de milieux de travail et d'employés rémunérés dans ces milieux de travail;
- L'*ELTE* comprend uniquement des milieux de travail qui avaient au moins un employé rémunéré; elle ne comprend pas les milieux de travail dont le fonctionnement est assuré entièrement par des bénévoles, et elle ne comprend pas non plus les bénévoles qui travaillent de concert avec des travailleurs rémunérés;
- L'*ELTE* exclut les organisations religieuses et les établissements dans le secteur public, certaines industries primaires et les Territoires.

<sup>†</sup> Voir Statistique Canada, *Enquête nationale sur le don, le bénévolat et la participation*.

primaires et secondaires, les collèges et les universités, les hôpitaux et l'infrastructure publique);

- *Secteur à but non lucratif* (culture, loisirs et associations; santé, éducation et services sociaux; et « autres industries à but non lucratif »).

L'apport principal de ce rapport est de contribuer à élargir nos connaissances sur l'incidence de la formation dans le secteur à but non lucratif et sur les caractéristiques des employeurs qui ont offert des programmes de formation et sur celles des employés qui ont participé à des programmes formation en 1999. Mais cela ne donne qu'un tableau partiel de la problématique de la formation, qui laisse sans réponse des questions entourant les besoins en formation non comblés, la nécessité d'offrir des formes spécialisées de formation et l'utilité de la formation reçue – autant de domaines importants pour lesquels des recherches plus poussées s'imposent. Ceci dit, le fait d'obtenir des données non disponibles auparavant sur l'incidence de la formation en fonction de différents types d'employeurs et d'un éventail de caractéristiques des employés représente un premier pas nécessaire dans le processus d'approfondissement de notre compréhension des enjeux des ressources humaines dans le secteur à but non lucratif.

## **Perceptions des employés concernant les besoins en compétences**

### ***Besoins minima en matière de scolarité***

Dans l'ensemble, 61 pour cent des employés des organisations à but non lucratif croyaient qu'une attestation d'étude postsecondaire (certificat universitaire, collégial ou professionnel) était nécessaire pour s'acquitter de leurs tâches. Il s'agit d'une proportion beaucoup plus élevée que celle indiquée par les employés du secteur à but lucratif (36 pour cent) mais inférieure à celle déclarée par les travailleurs du secteur parapublic (70 pour cent).

Les perceptions concernant les besoins minima en matière de scolarité reflètent en partie la répartition professionnelle de l'emploi dans les trois secteurs, puisque les gestionnaires et les travailleurs spécialisés, dont plusieurs doivent posséder une scolarité postsecondaire, représentent des proportions relativement plus élevées de l'emploi dans les secteurs parapublic et à but non lucratif que ce n'est le cas dans le secteur à but lucratif.

### ***Évolution des besoins en compétences et complexité technologique***

Environ la moitié des employés des secteurs à but lucratif et à but non lucratif ont fait état de hausses des besoins globaux en compétences depuis leurs débuts dans leur emploi courant. Cette proportion est un peu plus faible que celle du secteur parapublic, dans lequel près des deux tiers des employés ont déclaré que leurs besoins en compétences avaient augmenté.

Les perceptions d'une hausse des besoins en compétences étaient comparables pour les employés du secteur à but lucratif et ceux du secteur à but non lucratif à l'intérieur des groupes professionnels des travailleurs spécialisés, des gens de métiers et des commis et travailleurs de bureaux. Toutefois, les gestionnaires dans le secteur à but non lucratif étaient beaucoup moins susceptibles que ceux des autres secteurs de déclarer que les besoins en compétences de leurs

postes avaient augmenté. Des recherches plus poussées sont nécessaires afin d'expliquer pourquoi il en est ainsi. Une explication vraisemblable pourrait être que les gestionnaires du secteur à but non lucratif ont toujours évolué dans un environnement complexe et qu'ils perçoivent une évolution moins accentuée dans les besoins en compétences.

Les perceptions concernant l'accroissement de la complexité technologique étaient à peu près semblables parmi les travailleurs spécialisés des trois secteurs. Toutefois, les gestionnaires et les gens de métiers dans le secteur à but non lucratif étaient moins susceptibles de faire état d'un accroissement de la complexité technologique que leurs homologues dans les secteurs parapublic et à but lucratif.

En partie, ces différences reflètent des divergences entre les secteurs de la mesure dans laquelle les employés utilisent des ordinateurs au travail. Par exemple, près des deux tiers des employés des industries à but lucratif des services financiers et commerciaux et de l'information et de la culture ont déclaré qu'ils utilisaient un ordinateur pendant au moins la moitié de leur journée de travail. Cette proportion se compare à seulement 14 pour cent des employés des industries à but non lucratif de la santé, de l'éducation et des services sociaux.

Ces variations mettent en relief des différences fondamentales entre les employés de différentes industries. De nombreux employés dans le sous-secteur à but non lucratif de la santé, de l'éducation et des services sociaux font partie des professions de « soignants » – ce sont les infirmières, les médecins, les professeurs et les travailleurs sociaux. Le sous-secteur à but non lucratif de la culture, des loisirs et des associations comprend les professionnels qui œuvrent dans les arts du spectacle et les travailleurs des musées et des organisations sportives. L'ordinateur n'a pas encore remplacé plusieurs des services offerts par ces professionnels.

Il s'ensuit qu'au moment où les travailleurs du secteur à but non lucratif devront sans aucun doute s'adapter aux nouvelles technologies informatiques dans le milieu de travail, de larges segments du secteur devront aussi faire face à la nécessité de s'adapter à d'autres types de virages au chapitre des compétences. Il en découle que les besoins en formation ne seront nullement moins importants que ceux des autres secteurs, mais ils comprendront peut-être des types différents de compétences.

## **Formation parrainée par l'employeur**

### ***L'importance accordée à la hausse des niveaux de compétences des employés***

Les employeurs des trois secteurs attribuent beaucoup d'importance à l'augmentation des compétences des employés, puisque près de 70 pour cent d'entre eux considèrent qu'il s'agit d'un élément important ou primordial de leur stratégie organisationnelle.

Il y a un lien entre l'importance attribuée à l'augmentation des compétences des employés et la taille de l'établissement. Presque l'ensemble des établissements du secteur à but non lucratif de 20 employés ou plus considéraient l'augmentation des compétences des employés comme un élément important ou primordial de leur stratégie organisationnelle, mais ce n'était le cas que de seulement environ 30 pour cent des établissements de moins de 20 employés.

À un niveau industriel plus détaillé, les employeurs dans les industries du secteur à but non lucratif de la santé, de l'éducation et des services sociaux et celles de la culture, des loisirs et des associations se classaient au milieu de l'échelle en ce qui concerne les proportions d'entre eux qui considéraient l'augmentation des compétences des employés comme un aspect important ou primordial. Les deux industries du secteur parapublic et l'industrie du secteur à but lucratif de l'information et de la culture se classaient au sommet de l'échelle à cet égard.

L'importance accordée à l'augmentation des compétences des employés était plus qu'un vœu pieux dans l'esprit des employeurs, puisque la proportion des établissements qui avaient offert des programmes de formation à leurs employés pendant l'année antérieure était plus élevée dans les faits parmi les employeurs qui classaient à des niveaux élevés l'importance de hausser les compétences de leurs employés.

### ***L'offre de formation par les employeurs***

Tant les petits établissements que ceux de taille plus importante dans le secteur à but non lucratif étaient plus susceptibles que leurs homologues du secteur à but lucratif d'offrir de la formation à leurs employés. Cette situation était particulièrement manifeste dans le cas de la formation en salle de classe<sup>††</sup> et en ce qui concerne l'offre de subventions, de remboursements de frais ou d'autres formes d'aide pour la formation ou des cours pris en dehors des heures de travail. La formation dans le secteur à but lucratif était plus susceptible de prendre la forme de formation en cours d'emploi.

### ***Qui reçoit de la formation***

Près de la moitié des employés dans les secteurs à but non lucratif et parapublic ont déclaré qu'ils avaient participé à des activités de formation pendant l'année antérieure, comparativement à environ un tiers des employés dans le secteur à but lucratif. Les femmes et les employés âgés de 35 à 44 ans, et notamment ceux de 45 ans ou plus, dans les secteurs à but non lucratif et parapublic étaient beaucoup plus susceptibles que leurs homologues du secteur à but lucratif d'avoir reçu une formation en salle de classe pendant l'année précédente. Le secteur parapublic se classait au sommet de l'échelle à cet égard.

Les gestionnaires dans le secteur à but non lucratif étaient beaucoup plus susceptibles que leurs homologues du secteur à but lucratif (56 et 41 pour cent, respectivement) d'avoir reçu une formation en salle de classe, tandis que l'incidence de la formation parmi les travailleurs spécialisés était similaire dans les deux secteurs (57 et 53 pour cent, respectivement).

Dans les trois secteurs, les employés qui détenaient un diplôme universitaire étaient plus susceptibles que ceux des autres groupes d'avoir reçu de la formation.

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<sup>††</sup> Par définition, la formation en salle de classe dans le contexte de l'ELTE comprend toutes les activités de formation qui ont un format et des objectifs prédéterminés, un contenu précis et des niveaux de progrès qui peuvent être évalués ou vérifiés.

Le secteur à but non lucratif se classe dans une catégorie à part à cause du fait que le taux de participation des femmes aux activités de formation était plus élevé dans chacun des groupes professionnels et des niveaux de scolarité, notamment lorsqu'on les compare au secteur à but lucratif. Cette « prime à la formation dans le secteur à but non lucratif » était relativement élevée pour les femmes qui possédaient une scolarité collégiale ou une certaine formation universitaire, et elle était encore plus élevée pour les femmes dont le niveau de scolarité le plus élevé était l'achèvement des études secondaires ou un niveau moindre.

La formation professionnelle était le type de formation le plus largement déclaré par les employés du secteur à but non lucratif, tandis que la formation en logiciels informatiques était la forme la plus répandue parmi les employés des secteurs parapublic et à but lucratif. Toutefois, des proportions élevées d'employés dans les trois secteurs ont classifié la formation reçue dans la catégorie « autre ». Un objectif des recherches futures devrait être de déterminer avec plus de précision le contenu de cette catégorie de formation.

### ***Perceptions concernant le caractère adéquat de la formation***

Environ 36 pour cent des employés du secteur à but non lucratif et 38 pour cent de ceux du secteur parapublic ont indiqué que le volume de formation qu'ils avaient reçu était insuffisant par rapport aux exigences de leur poste; ces proportions se comparent à seulement 27 pour cent des employés du secteur à but lucratif. L'écart entre les secteurs à but lucratif et à but non lucratif concernant les perceptions relatives au caractère adéquat de la formation s'observe parmi les groupes professionnels et les diverses tailles d'établissement.

L'analyse porte à croire que la formation a eu une incidence perceptible parmi les employés du secteur à but non lucratif, en ce sens que les personnes qui avaient reçu de la formation dans ce secteur étaient plus susceptibles que les autres de se sentir bien préparées pour s'acquitter de leurs tâches. Toutefois, cette observation ne s'applique pas aux employés des secteurs parapublic et à but lucratif puisque, sans égard au fait qu'un employé avait reçu ou non de la formation, des proportions similaires d'employés ont déclaré que le volume de formation reçu était insuffisant.

Mais, par rapport aux employés des secteurs parapublic et à but lucratif, les employés du secteur à but non lucratif étaient un peu plus susceptibles de déclarer que le volume de formation disponible avait diminué depuis qu'ils avaient commencé à travailler pour leur employeur actuel et ils étaient un peu moins susceptibles d'indiquer qu'il avait augmenté.

### **Conclusion et lacunes de la recherche**

Compte tenu des préoccupations qui ont été exprimées concernant les pressions auxquelles sont soumises de nombreuses organisations dans le secteur à but non lucratif, on aurait pu s'attendre à observer une incidence moindre de la formation dans ce secteur par rapport aux autres secteurs. Mais, il y a lieu de croire, en se fondant sur plusieurs indicateurs des activités de formation, que la performance du secteur à but non lucratif est supérieure à celle du secteur à but lucratif (bien que, dans la plupart des cas, la performance du secteur parapublic soit la plus solide).

Mais, le fait d'avoir des données sur l'incidence de la formation ne nous permet d'obtenir qu'un tableau partiel de la situation. Des recherches plus poussées sont nécessaires concernant plusieurs autres enjeux importants. À cette fin, il faudra combler les besoins suivants :

- Une analyse chronologique. Le fait d'avoir des données pour 1999 ne permet d'obtenir qu'un aperçu instantané de la situation, sans nous donner une idée des tendances générales – par exemple, l'année 1999 était-elle une année représentative ou comportait-elle l'effet d'un élément de « rattrapage » ?
- Une analyse des tendances relatives aux besoins en formation et de la mesure dans laquelle le volume de formation offert est suffisant pour répondre à l'évolution des besoins en compétences.
- Une analyse à l'échelle des industries individuelles, afin de déterminer les secteurs où l'obtention des ressources nécessaires pour investir dans la formation des employés demeure un problème pour les organisations individuelles ou des segments du secteur.
- Une analyse de l'efficacité et de la pertinence de la formation qui est donnée et de la latitude dont les employés disposent pour utiliser les compétences nouvellement acquises dans le milieu de travail.
- Une analyse des besoins précis en compétences à l'intérieur des sous-secteurs du secteur à but non lucratif, y compris la mise au point de profils des compétences et la détermination des besoins en formation.

À l'instar des autres secteurs de l'économie, les grands changements structurels qui se sont produits à l'échelle nationale et mondiale ont aussi eu une incidence sur le secteur à but non lucratif. Des changements profonds et de nature fondamentale ont des répercussions significatives sur le secteur ainsi que des conséquences en ce qui concerne les besoins en compétences et en formation. Il importe de continuer à approfondir nos connaissances sur la détermination des besoins en compétences et en formation du secteur à but non lucratif dans le contexte des efforts du secteur en vue de relever les défis que le changement pose dans le domaine des ressources humaines et organisationnelles.

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## 1. Introduction

It has become almost commonplace to observe that Canada, like with other industrialized countries, has been on a trajectory of change – in the international trading environment, in technology, and in the composition of its labour force. The processes of change have been evident on the employer side in industrial restructuring and changes in technological infrastructures, organizational structures, and the composition of employment. On the employee side, change processes have been evident in reorganizations and downsizing and in changes in job design, the organization of work, and skill requirements.

As a consequence, issues around education and training are high on the national agenda. Many provincial governments are placing a renewed emphasis on the primary, secondary and post-secondary education systems – key players in equipping tomorrow’s labour market entrants with the skills and knowledge they will need once they have completed school. Adult education and training are also being promoted as the federal government emphasizes the need for lifelong learning, training, and the development of a learning culture. All of these issues have come to the fore as human resources – the knowledge, skills, and creativity of people – increasingly are recognized as being the most important input that organizations in all sectors of the economy require.

Skills development is also top of mind for employers. The Conference Board of Canada’s *Employability Skills 2000+* (Conference Board of Canada 2000) provides an overview of essential skills needed by workers in today’s economy. These include *fundamental skills* (like literacy, numeracy, communication skills); *personal management skills* (having a sense of responsibility, adaptability, accountability, and a commitment to lifelong learning); and *teamwork skills* (the ability to work with others, flexibility, respect, leadership, and decision-making skills). The Conference Board notes that “[e]mployability skills are the generic skills, attitudes and behaviours that employers look for in new recruits and that they develop through training programs for current employees” (Conference Board of Canada 1998, p. 1).

New institutional arrangements within sectors are also playing a key role in identifying skill requirements and developing innovative and cost-effective ways to deliver training programs. Some twenty-six sector councils are now operating in Canada, each bringing together representatives from business, labour, education and other groups to address human resource priorities within specific industries.

The non-profit sector has not been immune to the broad structural changes taking place in the national and global contexts. In fact, deep and very fundamental changes are having significant impacts on the sector, with implications for organizational structures and behaviours, the nature of work, and the skills and abilities needed by individuals working in non-profit organizations.

In recognition of the challenges facing the voluntary sector as a whole, the Voluntary Sector Initiative (VSI),<sup>1</sup> a joint project between the voluntary sector and the federal

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<sup>1</sup> For more information about the Voluntary Sector Initiative, see [www.vsi-isbc.ca](http://www.vsi-isbc.ca).

government, was launched in 2000. The VSI aims to help the voluntary sector face such challenges as adapting to the information age, recruiting volunteers, and ensuring that organizations have the resources and skills to continue to work effectively. One of the key issues being addressed by the VSI concerns the capacity of the sector to meet the demands placed on it; accordingly, the Capacity Joint Table is examining issues relating to human resources, research and information sharing, and policy.

In this, the third in Canadian Policy Research Networks' series of research reports on the non-profit sector in Canada,<sup>2</sup> we focus on issues of changing skill needs and training in the non-profit sector. It is our hope that this research will make a net contribution to growing body of knowledge that is developing around the sector and specifically, that it will provide new information on training activity in the sector. Training is one of the tools that can be used to increase the capacity of the sector to meet new challenges and growing demand.

Our data source is Statistics Canada's *Workplace and Employee Survey (WES)* which we describe in more detail in Chapter 4 of this report. The *WES* allows us to begin to draw a picture of changing skill requirements in the sector and the extent to which employers and their paid workers are involved in training. In other words, the focus is on the incidence of training. But that is only part of the training story, leaving open questions around unmet training needs, the need for specialized kinds of training, and the utility of the training that is received – all important areas that are in need of further research. That being said, having information never before available on the incidence of training for different types of employer and by a range of employee characteristics is a necessary step in the process of deepening our understanding of human resource issues in the non-profit sector.

We begin in Chapter 2 by describing some of unique challenges faced by non-profit organizations and their staff and the implications these challenges have for skill requirements in the sector. In Chapter 3, we briefly describe the linkages between innovation, skills and training, and the lessons for the non-profit sector that can be drawn from the existing literature. Chapter 4 provides an overview of the *Workplace and Employee Survey* and defines the sectors we use in our analysis. Chapter 5 discusses perceptions of changes in skill requirements in the non-profit sector, using several indicators, and compares them with the for-profit and quasi-government (quango) sectors. In Chapter 6, we examine training practices, including the importance that organizations place on skill development, the extent to which organizations provide training, the type of training provided, the characteristics of employees who receive training, and the perceived adequacy of training. A discussion of our findings and of future research follows in Chapter 7, and final conclusions in Chapter 8.

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<sup>2</sup> The first report in this research series focuses on definitional and measurement issues (see McMullen and Schellenberg (2002) *Mapping the Non-profit Sector*). The second report focuses on issues of job quality, such as the incidence of nonstandard jobs, overtime hours, earnings and benefits (see McMullen and Schellenberg (2003), *Job Quality in the Non-profit Sector*).

## 2. The Changing Context of Employment in the Non-profit Sector

One of the most significant changes to affect the non-profit sector has been the withdrawal of governments from the provision of core funding for many non-profit organizations (see Hall and Banting 2000). This has necessitated the development of a variety of fundraising strategies, the allocation of time to undertake fundraising activities and to a rising need for people with the right skills to ensure fundraising success. Not only have many organizations had to learn (or hire) the new skills needed to successfully carry out these activities, the sheer number of organizations and causes that have emerged also has created a fund-raising environment that is very complex and, ironically, competitive. Organizations that formerly were managed relatively informally now find they are under pressure to engage in formal planning and in program evaluation in order to demonstrate 'value' to sponsors.

Another consequence of the change in the funding environment is that often, now, organizations must seek funding on a project-by-project basis rather than being able to count on core funding. That has led to two outcomes. First, instability in funding has led to instability for the organizations, affecting their ability to make long-term commitments either to programs and the clients they serve or to employees, with the consequence that many are employed on a temporary basis (McMullen and Schellenberg 2003). Second, the need to secure project funding has increased the need for managers and workers in the sector to be 'entrepreneurial' in the development of projects and partnerships; to have strong writing skills for the preparation of proposals, applications for funding, and reports; to have strong project management skills; and to employ formal accounting processes. The lack of core funding means that, often, agencies must propose new programs and services in order to get project funding, while there is no core funding to maintain well-established programs and services (Roberts 2001). Finally, dependence on short-term funding makes long-range planning difficult, if not impossible. All of these changes bring with them new skill requirements for workers in the non-profit sector.

The non-profit sector also faces unique challenges that the for-profit and government sectors do not, the most obvious being the need to manage a workforce that is made up of both paid workers and volunteers. Volunteers have always been a key component of many non-profit organizations. Certainly, issues around volunteer recruitment, retention and management affect large parts of the sector. But, data from the *2000 National Survey of Giving, Volunteering and Participating* show that the rate of volunteering fell in Canada between 1997 and 2000, decreasing from 31 percent to 27 percent of Canadians aged 15 years and older. On the other hand, the average number of hours contributed per volunteer increased, with the largest increases being accounted for by those who were widowed, those aged 65 years or more, those with household incomes under \$20,000 and those who were unemployed (Hall, McKeon and Roberts 2001). Overall, only about 7 percent of volunteers contributed 73 percent of volunteer hours in 2000. 'Time crunch' was the most commonly cited reason for not volunteering more or for not volunteering at all. Roberts (2001) reports that turnover is an issue, with stress levels and burnout being contributing factors for volunteers who have too many demands being placed on them.

Certainly, this changing environment presents challenges for the recruitment and training of volunteers.<sup>3</sup>

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<sup>3</sup> Jenson and Phillips (2000) examined how health-care restructuring in Ontario and Quebec in the 1990s affected the voluntary health sector and its involvement in the care of the dependent elderly. They find that one of the biggest issues in that industry, to give one example, is the need for more training and supervision of volunteers who also increasingly need specialized skills. That in turn places greater demands on paid staff in non-profit organizations, in terms both of the abilities they need to have in order to manage and supervise skilled volunteers and in terms of their capacity to ensure that volunteers have the specialized skills and training they need.

### **3. Links Between Innovation, Skills and Training**

In some respects, the non-profit sector is no different than other sectors of the economy – change is a given; change affects the environment within which organizations operate; it brings structural change to the sector and requires organizational adaptation as a result; and structural and organizational change in turn bring new skill requirements for workers in the sector, whether they be managers, paid employees or unpaid volunteers. The fact of change, especially in a context of scarce resources, requires innovative responses and solutions. It also puts the spotlight on training and education as a means of equipping workers with the tools they need to adapt to changing skill requirements, organizational change and increasing complexity in the external environment.

Baldwin (1999) summarizes the evidence derived from analysis of several Statistics Canada surveys on the importance of innovation to organizations and the essential role played by skilled workers in the innovation process. One of the key contributions Baldwin makes in this paper is to compare the manufacturing and the service sectors on both the innovation and the skilled labour dimensions. While the non-profit sector was not explicitly included in the analysis, it shares many of the same characteristics as for-profit firms in the service sector. Chief among these is that both rely more heavily on human resources than on machinery and equipment to produce their output. It is this characteristic that allows us to make the link between Baldwin's findings for the for-profit service sector and our analysis of the non-profit sector.

Baldwin observes that there are important differences between the manufacturing and the service sectors in the relative emphasis that is placed by innovators and non-innovators on skilled workers. He reports that,

“[w]hile innovators give more emphasis than do non-innovators to the importance of skilled employees in both sectors, the difference is much greater in service industries. Each of the human resource strategies that were investigated – continuous staff training, specially designed compensation programs – is given relatively greater weight by innovators in the service sector. This indicates that innovation is more tightly bound up with worker skills in the service sector than in manufacturing ....” (Baldwin 1999, p. 5).

Baldwin goes on to note that, while the capital of manufacturing firms tends to be concentrated in hardware, “...the capital of service firms is more likely to emphasize or rely on knowledge that resides in employees.” Thus, while in both sectors, an emphasis on innovation is significantly related to training, in the service sector the training decision is closely related to the emphasis the organization places on service quality and on skilled labour as a key factor in the organization's success. Finally, Baldwin concludes that innovative firms in both manufacturing and services are more likely to upgrade worker skills with training programs. However, unlike manufacturing where the innovation process also focuses on new equipment, “...in services, the human resource strategy is closer to being the central focus of the innovation strategy and has an independent effect

on the training decision. In service industries, the capital essential to innovation is more likely to reside in human form (Baldwin 1999, p.6).”

What conclusions can we draw from this discussion? First, innovation is a key factor of success for organizations that are faced with complex changes in their operating environment – much like the circumstances facing non-profit organizations. Second, for human-resource-intensive organizations, skilled employees are especially essential to the innovation process. Third, reliance on skilled employees places human resource and skill development through continuous employee training at centre stage. And finally, in an environment in which the demand for skilled workers is high, having opportunities for training and skill development can act as a powerful tool for the retention of skilled employees.

A number of studies have investigated the training behaviour of firms in the private sector and the impacts of training on both firms and employees. While service sector firms are included in some of these studies, none have examined these issues explicitly for the non-profit sector. We summarize some of the key findings below because we believe that they point to fundamental principles that underlie the role training can play in enabling organizations and the workers they employ to adapt to a complex and changing environment.

For establishments, there is evidence of a positive association between training and performance. Establishments with training programs performed better in terms of revenues and productivity; furthermore, this advantage was greatest for those with the strongest commitment to training (Betcherman et al. 1997). Some of the impacts of training reported by employees include increased self-confidence, improved employability, and increased job satisfaction – in fact, employees rated these more highly than tangible impacts, including increased earning power, qualification for new types of work, and qualification for promotion (Betcherman, Leckie and McMullen, 1997). Lowe and Schellenberg (2001) found that individuals who have adequate resources to do their jobs – defined as having the information, equipment, resources, and training they need to do their job well – have higher trust, commitment, better communications and more influence than individuals who lack these elements. They conclude that the quality of these employment relationships and organizational performance are ‘organically linked’ and mutually reinforcing.

What lessons can be drawn for the non-profit sector from these findings? Are there universal characteristics of change and innovation that have implications for human resource development, regardless of sector? It could be argued that ‘technological change’ can be considered in a generic sense as a response to changes in the external environment leading to the introduction of new or improved products or processes, new organizational structures, and new tasks. While new technology in the form of machinery and equipment may play less of a role in non-profit organizations, it is certainly the case that non-profits must be creative – innovative – in developing new approaches to how they deliver their services. Innovation means change; change brings new skills requirements; and new skill requirements underscore the importance of

training and a learning culture. The expected end results are positive outcomes in terms of organizational performance and individual satisfaction.

## 4. Defining the Non-profit Sector<sup>4</sup>

The statistical analysis in this report uses data from Statistics Canada's *Workplace and Employee Survey (WES)*. The *WES* is a longitudinal survey that tracks responses from a sample of approximately 6,320 business establishments and 23,500 employees who work in those establishments. This report is based on data from 1999.

Several design characteristics of the *WES* are particularly relevant to our discussion. First, the *WES* includes only establishments that employ one or more paid workers. This means that non-profit organizations run exclusively by volunteers are not included in our analysis and the discussion of job quality is limited to that experienced by paid employees. Information is not available on volunteers.

Second, the *WES* does not include establishments or employees in public administration or some primary industries.<sup>5</sup> This means that we cannot compare the job characteristics of employees in non-profit organizations with those in government, for example. Moreover, estimates of labour force characteristics drawn from the *WES*, such as the incidence of part-time employment, will be different from those drawn from the *Labour Force Survey* or other sources which include all industries as well as the own-account self-employed.<sup>6</sup>

Third, the *WES* does not include religious organizations. While conceptually, these are usually considered to be part of the non-profit sector, organizations like churches, mosques, temples and synagogues do not fit easily in the context of a survey of business establishments and their business strategies, technology investments and human resource practices. As a result, they were excluded from the *WES* and consequently from our analysis of the non-profit sector using the *WES*.

For this study, two pieces of information were used to identify and classify non-profit organizations. First, representatives from each of the establishments included in the *WES* were asked: "At this location, is this workplace a non-profit organization?" Responses to this question were used to differentiate non-profit from for-profit firms.<sup>7</sup> Second, detailed industry information available through the *North American Industry Classification System (NAICS)* was used to further refine the working definition of the non-profit sector. Hospitals, elementary and secondary schools, and colleges and

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<sup>4</sup> For a more detailed discussion of the methodology used to identify sector and industry, see the first report in the CPRN Series on Human Resources in the Non-profit Sector, *Mapping the Non-profit Sector in Canada* (McMullen and Schellenberg 2002).

<sup>5</sup> Public administration is defined as federal, provincial, territorial, local, aboriginal, international or extra-territorial public administration work-sites. Primary industries include agriculture, fishing, hunting and trapping.

<sup>6</sup> By definition, own-account self-employed workers do not employ paid workers, and hence, they are not included in the *WES*.

<sup>7</sup> Meetings with Statistics Canada personnel have confirmed that detailed quality checks were undertaken to confirm the reliability of the 'non-profit' classification. These quality checks resulted in some cases being reclassified to the for-profit sector when it was clear that establishments initially labelled as non-profits in fact were part of for-profit firms (satellite offices, for example) or when a for-profit establishment reported 'no profits' for that year.

universities were re-classified as quasi-autonomous non-governmental organizations (quangos) distinct from other non-profit organizations. As Hall and Banting note, although quangos are incorporated as non-profit organizations, they “...are so strongly influenced by government that they may be better considered to be government institutions for some purposes” (Hall and Banting 2000). Similarly, non-profit organizations engaged in the provision of public infrastructure were re-classified as quangos, including those engaged in utilities (e.g. power plants and pipelines), transportation and warehousing (e.g. harbour authorities and municipal bus lines), some construction industries (e.g. bridge, street and sewer construction), and waste disposal.

### **BOX 1 Defining Non-profit Organizations**

We note that our identification of non-profit organizations is based on a more limited set of criteria than that prescribed by other models, such as the International Classification of Non-profit Organizations (ICNPO) framework.<sup>8</sup> Under that framework, non-profit organizations are those which are:

- 1) **Organized** – they are “institutionalized to some extent... This is signified by a legal charter of incorporation, some degree of internal organizational structure, ...or meaningful organizational boundaries. Excluded are purely ad hoc and temporary gatherings of people with no real structure or organizational identity.”
- 2) **Private** – “i.e. institutionally separate from government... They are 'non-governmental' in the sense of being structurally separate from the instrumentalities of government, and they do not exercise government authority.”
- 3) **Self-governing** – “...organizations must control their own activities to a significant extent, have their own internal governance procedures, and enjoy a meaningful degree of autonomy.”
- 4) **Non-profit distributing** – “i.e. not returning profits generated to their owners or directors. Non-profit organizations may accumulate surplus in a given year, but the profits must be plowed back into the basic mission of the agency...”
- 5) **Voluntary** – “i.e. involve some meaningful degree of voluntary participation... the organization must engage volunteers in its operations and management, either on its board or through the use of volunteer staff and voluntary contributions.”

Because the *WES* sampled formal establishments (i.e. places of business), it excludes “ad hoc and temporary gatherings of people.” Hence, the non-profit organizations in our study meet the first ICNPO criterion. They also meet the fourth criterion, that is, they are ‘non-profit distributing.’ However, the *WES* does not include information on the “private”, “self-governing” or “voluntary” aspects of ‘non-profit’ organizations – criteria 2, 3, and 5 above. We have tried to address these on the basis of industry location – that is, by distinguishing quango (quasi-public sector organizations) from other non-profits – but this is an admittedly imperfect approach. As Hall and Banting (2000 p. 7) have noted, “Clearly, those with an interest in this topic must be prepared to tolerate substantial ambiguity in the language that is employed and the boundaries of the subject.”

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<sup>8</sup> The International Classification of Non-Profit Organizations (ICNPO) is a widely used framework developed by researchers at The Johns Hopkins University. The ICNPO sets out five criteria for identifying non-profit organizations and a classification system for grouping non-profits into 12 major activity groups (Salamon and Anheier 1997).

Based on the non-profit designation and the industry variables, organizations and their employees were grouped into three broad sectors: (1) the non-profit sector; (2) the quango sector; and (3) the for-profit sector. Table 1 below shows the distribution of employees and establishments across these sectors in 1999. Overall, the non-profit sector accounted for about 8 percent of employment and for about 8 percent of establishments, as defined in the *WES*.

**Table 1. Distribution of Employees and Organizations across Sectors, Canada 1999**

	Percentage of Employees	Percentage of Organizations
Non-profit sector	8.1	8.1
Quango sector	12.4	0.8
For-profit sector	79.5	91.2
Total	100.0	100.0
Number	10,780,047	718,083

Source: Based on data from the *WES*, 1999.

Each of the three broad sectors identified above was further disaggregated into subgroups to facilitate more detailed comparisons within and across sectors. Industry information was used to group the 463 non-profit organizations in the 1999 *WES* into three categories:

- Non-profit culture, recreation and associations: This includes non-profits engaged in arts, entertainment, recreation and culture, as well as civic and social organizations that serve their members. Examples include performing arts companies, museums, summer camps, publishers, campus radio, and sports clubs. Also included are business and professional associations, unions, and a small number of grant-making and grant-giving organizations (e.g. philanthropic foundations). This category corresponds to ICNPO Major Groups 1, 8, and 11.
- Non-profit health, education and social services: This includes non-profits engaged in ambulatory health care (e.g. community clinics) as well as nursing homes and residential care facilities. Also included are non-profit providers of education (excluding elementary, secondary, colleges and universities), such as literacy groups, and organizations engaged in research. Finally, social services agencies, such as food and emergency relief, individual and family services, and non-profit child-care, are included here. Since, the number of non-profit providers of education is quite small, this group is primarily comprised of health and social service providers. This category corresponds to ICNPO Major Groups 2, 3 and 4.
- Non-profit other: The *WES* includes non-profit organizations across a range of other industries, including residential construction, manufacturing, retail trade, professional

services and finance. The small number of cases in each of these industries prohibited the creation of distinct categories and these organizations did not ‘fit’ with the groupings listed above. Consequently, an ‘other’ category was created.

The 358 quango organizations included in the *WES* were classified into two groups based on industry information:

- Quango infrastructure: This includes ‘non-profits’ engaged in heavy construction (e.g. streets and bridges), utilities, transportation and warehousing, and waste disposal.
- Quango health and education: This includes hospitals, elementary and secondary schools, and colleges and universities.

Finally, the 5,501 establishments in the for-profit sector were disaggregated into eight groups based on their industry location. These include: goods-producing industries (mining, manufacturing and construction); distributive services (wholesale trade, transportation and warehousing); retail trade; finance, insurance and business services; real estate and leasing; health and education (primarily doctors, dentists, and other for-profit healthcare providers); and information and culture.

By comparing the characteristics of employees, jobs and establishments across these 13 industry categories, we are able to locate the non-profit sector within a broad labour market context and to draw comparisons across sectors as well as across more detailed industries.

## 5. Changing Skill Requirements in the Non-profit Sector

The *WES* allows us to broadly assess skill requirements in the non-profit sector. We consider a number of factors, including: employees' perceptions of the minimum level of education required to do their job; employees' perceptions of changing skill requirements and technological complexity in the workplace; the extent to which computer technology is used on the job; and supervisory responsibilities of employees. On most of these measures, skill requirements in the non-profit sector are comparable to or above those in the for-profit sector.

### Minimum Education Requirements

For most jobs, it is necessary for individuals to possess a range of knowledge, skills and abilities in order to be competent and effective. Experience and 'know-how,' technical expertise, and communications skills are just some of these attributes. Formal education must also be added to the list as the knowledge and skills acquired through secondary and post-secondary education provide skills that are essential for individuals seeking to enter and succeed in many occupations.

Employees who responded to the *WES* were asked, "For your current job, what is the minimum level of education required?" In 1999, just over one-quarter of employees in the non-profit sector (27 percent) said that a college diploma or trade certificate was needed and another 27 percent said that a university degree was the minimum requirement (Table 2). Overall, 61 percent of non-profit employees believed that a post-secondary credential (university, college or trade certificate) was needed to do their job. A far smaller share (36 percent) of employees in the for-profit sector believed that such a post-secondary education was needed to do their job. Perceptions of the need for a post-secondary credential, especially completion of a university degree, were highest among employees in the quango (quasi-public) sector (at 70 percent).

**Table 2. Employees' Perceptions of the Minimum Level of Education Required for Their Job, by Sector, 1999**

Minimum Level of Education Required	Non-profit Sector	Quango Sector	For-profit Sector	All Sectors
	(Percentage of Employees)			
High school or less	31.4	24.4	57.0	50.1
Some post-secondary	7.7	5.4	6.9	6.8
Trade certificate	6.8	4.6	6.9	6.6
College diploma	27.0	22.7	14.5	16.7
University degree	27.0	42.9	14.7	19.8
Total	100.0	100.0	100.0	100.0

Source: Based on data from the *WES* 1999.

These figures partly reflect the occupational composition of employment in the three sectors. Managers and professionals, many of whom require a post-secondary education, account for relatively larger shares of employment in the non-profit and quango sectors (33 percent and 47 percent, respectively) than they do in the for-profit sector (9.5 percent) (McMullen and Schellenberg 2002, p. 42). In fact, close to half of professionals in both the non-profit and for-profit sectors say that a university degree is the minimum educational requirement for their job (Table 3). However, managers in non-profits were more likely than those in for-profits to report the need for a university degree. Perceived educational requirements were also higher for employees in technical/trades occupations in the non-profit sector than they were in the for-profit and the quango sectors.

**Table 3. Percentage of Employees Who Say that a College Diploma or University Degree is the Minimum Level of Education Required to Do Their Job, by Selected Occupations and by Sector, 1999**

	Non-profit Sector	Quango Sector	For-profit Sector	All Sectors
	(Percentage of Employees)			
<b>Managers</b>				
College diploma is required	14.2	9.7	15.6	14.9
University degree is required	51.7	84.8	37.0	41.4
<b>Professional Occupations</b>				
College diploma is required	35.4	25.2	26.3	27.2
University degree is required	46.9	68.3	49.7	55.9
<b>Technical/Trades Occupations</b>				
College diploma is required	37.8	28.9	15.8	18.5
University degree is required	7.2	7.2	5.0	5.8

Source: Based on data from the *WES* 1999.

### **Perceptions of Changes in Skill Requirements and Technological Complexity**

Changes in skill requirements can also be gauged by examining employees' perceptions of how such requirements have changed since they first began working in their current job. Given our earlier discussion about skills and innovation in the Canadian economy, one would expect a considerable share of employees to say that skill requirements have been on the rise. This is indeed the case. In 1999, just over one-half of employees in the non-profit sector reported that the overall skill requirements of their jobs had increased since they started in their position (Table 4). This is comparable to the rate reported by employees in the for-profit sector, but below the rate in the quango sector where close to two-thirds of employees reported increases in skill requirements.

**Table 4. Percentage of Employees Who Say that, Since They Began Working in Their Current Job, the Overall Skill Requirements Have Increased, by Selected Employee Characteristics and by Sector, 1999**

	Non-profit Sector	Quango Sector	For-profit Sector	All Sectors
	(Percentage of Employees)			
Men	47.5	63.2	53.0	53.6
Women	54.1	64.8	48.8	52.0
<b>All employees</b>	<b>52.1</b>	<b>64.3</b>	<b>51.0</b>	<b>52.8</b>
<b>Job Tenure</b>				
Less than 4 years	41.4	47.7	44.3	44.2
4 years or more	57.7	68.2	55.7	57.9
<b>Occupation (Employees with job tenure of 4 years or more)</b>				
Managers	45.7	84.3	67.7	66.6
Professionals	73.1	70.1	71.4	71.1
Technical/trades	51.6	66.8	55.2	56.2
Clerical/administrative	56.4	65.9	56.2	57.5
Sales/marketing	--	--	31.8	31.6
Production	--	--	33.0	37.0
<b>Employment Status</b>				
Full time	54.1	66.9	53.7	55.3
Part time	46.4	53.8	33.3	38.5

-- Estimates not shown due to high sampling variability.

Source: Based on data from the *WES* 1999.

As one might expect, employees with longer tenure in the same job were more likely than others to say that skill requirements had increased. The non-profit and for-profit sectors were similar in this respect; employees in the quango sector, notably those with job tenure of four years or more, were more likely to report having experienced an increase in skill requirements.

Perceptions of changing skill requirements are also comparable for non-profit and for-profit employees within professional, technical/trades, and clerical/administrative occupations (Table 4). The notable exception is the case of managers, with those in the non-profit sector being much less likely to report increases in the overall skill requirements of their jobs than managers in the for-profit and the quango sectors. The data do not allow us to answer the question of why this would be the case. It may be that managers in non-profit organizations have always functioned in a complex environment and therefore do not perceive a change in the skills required of them. It might also be the

case that changes in the operating environment, in the range of tasks included in the job, in reporting requirements, and so on have had a greater impact on jobs elsewhere in the organization. The fact that professionals were much more likely to report an increase in skill requirements suggests that this might be the case, though this observation is only speculative.

Finally, part-time workers in the non-profit sector were more likely to report an increase in skill requirements than were part-time workers in the for-profit sector (46.4 percent and 33.3 percent, respectively) (Table 4). This is a reflection, in part, of the different characteristics of part-time workers in the two sectors.<sup>9</sup> About one-quarter of professionals in the non-profit sector reported working part time in 1999, compared to only about 7 percent of professionals in the for-profit sector (McMullen and Schellenberg 2003). As noted above, employees in professional occupations were more likely than other occupational groups to report having experienced an increase in skill requirements since they had started working in their current jobs.

The extent to which the technological complexity of jobs has increased is another way to gauge changing skill requirements in the non-profit sector. Overall, about one-half of employees in the non-profit and for-profit sectors reported that the technological complexity of their jobs had increased since they started in their position; about two-thirds of employees in the quango sector reported that this was the case (Table 5). When we look more closely within occupational groups (among employees with at least four years of job tenure), it appears that non-profit employees were less likely than employees in the other sectors to report increases in technological complexity. This is most evident among employees in managerial and technical/trades occupations, with differences between the non-profit and for-profit sectors in the range of 15 to 20 percentage points. As we show below, this difference is a reflection in part of different patterns of computer use in these two sectors, with perceptions of increasing technological complexity in the for-profit sector being associated with more intensive use of computers at work.

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<sup>9</sup> For a detailed discussion of employment status and a range of other job characteristics in the non-profit sector, see the second report in this series – *Job Quality in the Non-profit Sector* (McMullen and Schellenberg 2003).

**Table 5. Percentage of Employees Reporting that the Technological Complexity of their Job Had Increased, by Selected Employee Characteristics and by Sector, 1999**

	Non-profit Sector	Quango Sector	For-profit Sector	All Sectors
	(Percentage of Employees)			
Men	47.2	64.0	53.8	54.4
Women	47.2	64.4	46.7	49.6
<b>All employees</b>	<b>47.2</b>	<b>64.3</b>	<b>50.5</b>	<b>51.9</b>
<b>Job Tenure</b>				
Less than 4 years	33.5	42.3	36.7	36.8
4 years or more	54.3	69.3	60.0	61.0
<b>Occupation (Employees with job tenure of 4 years or more)</b>				
Managers	49.7	80.4	72.5	71.4
Professionals	70.3	74.3	78.0	75.1
Technical/trades	39.5	59.6	54.6	54.0
Clerical/administrative	73.3	70.9	67.3	68.1
Sales/marketing	--	--	46.2	46.7
Production	--	--	38.5	39.8

-- Estimates not shown due to high sampling variability.

Source: Based on data from the *WES* 1999.

Table 6 provides more detail on these indicators at a sub-sectoral level. What stand out in this table are the two quango industries – infrastructure and health and education. In both cases, over 60 percent of employees reported that both the technological complexity and the overall skill requirements of their jobs had increased. This may reflect the substantial changes that took place in the public sector in the 1990s (and which have continued since then), changes that have been reflected in significant downsizing, budget cuts, and reorganizations in the health and social services sectors especially, but in education and other parts of the government and quasi-government sectors as well. That being said, two of the for-profit industries – business and finance and information and culture – also rank high on these two indicators. These data indicate that while about half of employees in the three non-profit industries reported having experienced increases in the technological complexity of their jobs and in overall skill requirements, the percentages of employees affected in some other industries was even higher.

**Table 6. Percentage of Employees Reporting an Increase the Skill Requirements and/or the Technological Complexity of Their Jobs, by Sector and Industry, 1999**

Percentage of Employees Reporting an Increase in:		
	Technological Complexity	Overall Skill Requirements
(Percent)		
<b>Non-profit sector</b>		
Culture, recreation and associations	50.3	54.5
Health, education, social services	47.8	52.5
Other	41.8	49.9
<b>Quango Sector</b>		
Infrastructure	60.5	63.5
Health, education and social services	64.6	64.3
<b>For-profit Sector</b>		
Goods-producing	53.3	53.1
Distributive services	57.7	54.8
Retail trade and commercial services	37.7	41.8
Finance and business	62.1	59.8
Real estate and leasing	40.8	47.9
Education and health	44.1	46.2
Information and culture	65.2	64.6
<b>All industries</b>	<b>51.9</b>	<b>52.8</b>

Source: Based on data from the WES, 1999.

### Use of Computers

Computer technologies have transformed the nature of work throughout all sectors of the economy. They also represent the major ‘tool’ used by workers in office settings and in service-oriented organizations, though for many of the latter, computers cannot replace the hands-on aspects of service delivery, like the work of nurses, teachers, workers in retail trade and commercial services, and so on. Computers nevertheless constitute a major tool for information management, reporting requirements, and a host of other functions required of service-delivery workers. Increasing computer use in the workplace is one source of change in skill requirements.

Table 7 shows the percentage of employees who used a computer for at least half of their workday in 1999. Historically, women occupied jobs, like secretarial and administrative positions (the ‘pink-collar sector’) where computer use has become almost universal. In 1999, women in the for-profit sector were still much more likely than men (42 versus 24 percent) to report intensive computer use at work (using a computer for at least half of the workday). That is not the case in the non-profit sector, however, where only 23 percent of

women reported intensive computer use at work. But the non-profit sector does not fit the pattern of female participation in the labour market evident in much of the for-profit sector. Women account for three-quarters of employment in the non-profit sector and a relatively large proportion of them is employed in professional occupations.<sup>10</sup> But only about one-quarter of professionals in the non-profit sector reported using a computer for at least half of their workday. That compares to 72 percent of professionals in the for-profit sector.

**Table 7. Percentage of Employees Who Spent at Least Half of their Time at Work Using a Computer, by Gender, Occupation, and Sector 1999**

	Non-profit Sector	Quango Sector	For-profit Sector	All Sectors
	(Percentage of Employees)			
Men	30.2	22.9	23.6	23.8
Women	23.1	28.2	42.3	37.7
<b>All employees</b>	24.9	26.4	32.5	31.1
<b>By Occupation</b>				
Managers	31.2	35.5	39.5	38.5
Professionals	23.0	17.9	72.4	43.9
Technical/trades	16.7	18.8	20.3	19.9
Clerical/administration	65.4	76.2	62.4	64.2
Sales/marketing	--	--	17.0	17.3
Production	--	--	4.3	3.7

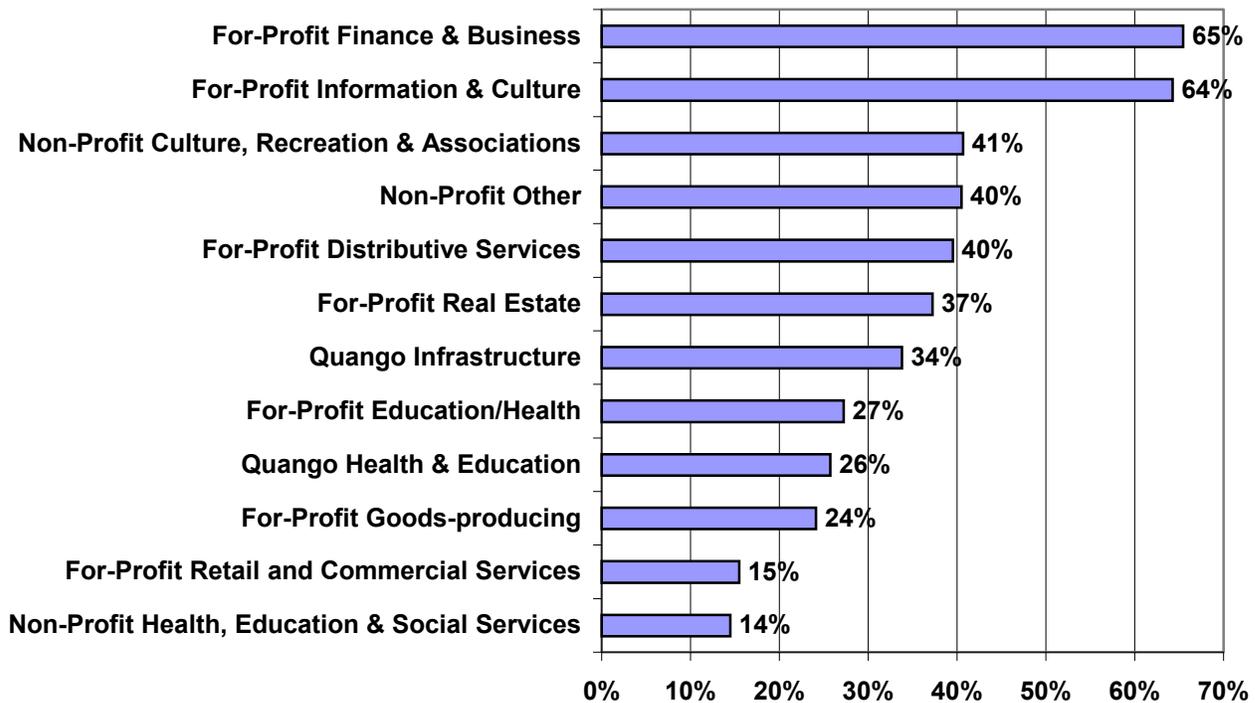
-- Estimates not shown due to high sampling variability.

Source: Based on data from the *WES* 1999.

These differences reflect in part the different types of jobs held by professionals in the three sectors. The ‘hands-on,’ people-oriented nature of work in the non-profit health, education and social service industries is clearly evident in Chart 1 below, which shows the percentage of employees in detailed industries who spend at least half of their workday using a computer. By far, computer usage is most intense in the for-profit finance and business and information and culture industries where close to two-thirds of employees reported using a computer for at least half of their working day. In contrast, only 14 percent of employees in the non-profit health, education and social services sub-sector reported this to be the case. But we also note that about 4 in 10 workers in the non-profit culture, recreation and associations and ‘other non-profit’ sub-sectors report intensive use of computers on the job, placing these industries ahead of many others in the for-profit and quango sectors.

<sup>10</sup> An overview of the characteristics of employees in the non-profit sector is given in McMullen and Schellenberg (2002). *Mapping the Non-profit Sector*. CPRN Research Series on Human Resources in the Non-profit Sector, No1.

**Chart 1. Percentage of Employees Who Spend at Least Half their Workday Using a Computer, by Sector and Industry, 1999**



Source: Based on data from the WES, 1999.

Another indicator of the amount of technological change is the extent to which organizations have been active in the introduction of major new computer hardware or software. Wannell and Ali (2002) find that implementation of major new computer hardware or software technologies often is a trigger for computer-related training for employees.

Overall, we find that slightly less than one-quarter of the establishments surveyed by the *WES* implemented a major new software application or computer hardware installation in the previous year (Table 8). While the share of non-profit and for-profit firms doing so was roughly comparable, the share of quango organizations that implemented a major new computer technology was higher, at slightly more than one-third. While larger

establishments were more likely than smaller ones to have installed new software or hardware applications, the gap between the two was smaller in the non-profit sector.<sup>11</sup>

**Table 8. Percentage of Establishments that Implemented a Major New Computer Hardware/Software in the Past year, by Sector and Establishment Size, 1999**

	<b>Less than 20 Employees</b>	<b>20 or More Employees</b>	<b>All Establishments</b>
(Percentage of Establishments)			
Non-profit sector	26.0	31.7	26.8
Quango Sector	--	54.3	35.0
For-profit sector	21.2	37.5	23.2
<b>All establishments</b>	<b>21.5</b>	<b>37.5</b>	<b>23.6</b>

Note: ‘--’ Estimates are not shown due to high sampling variability.

Source: Based on data from the WES, 1999.

### **Supervisory Responsibilities**

Supervising other employees (and volunteers) requires a range of ‘people skills,’ such as leadership, communication, project management, and teamwork. These take on added importance given the central role that human resources play in developing innovative and effective organizations.

Overall, comparable shares of employees in the non-profit and for-profit sectors have supervisory responsibilities (at 36 and 39 percent, respectively) (Table 9). The data suggest that in 1999 men employed in the non-profit sector were less likely to supervise other employees than their counterparts in the for-profit sector. But, what is interesting to note is that men and women within the non-profit sector were equally likely to supervise the work of others (both at slightly more than one-third), whereas women were much less likely than men to be in supervisory positions in the for-profit sector.

We note that the non-profit sector is set apart from the for-profit sector insofar as paid employees may also be responsible for supervising the work of volunteers. This is the case for parts of the quango sector as well. In 2000, just over 6.5 million Canadians volunteered approximately 1 billion hours – the equivalent of 549,000 full-time jobs (Hall, McKeon and Roberts 2001). Recruiting, training and managing this large number of people presents a considerable logistical and managerial challenge for many

<sup>11</sup> In fact, the data suggest that smaller organizations in the non-profit sector may be more active in this respect than small organizations in the for-profit sector. The fact that these data apply to only one year precludes any firm conclusions in this regard at this point. Analysis of successive waves of the *WES* is needed to determine what the trend is with respect to investments in new technologies in the non-profit sector. For example, is the relative stronger performance of small establishments in the sector in this regard in 1999 a case of ‘leading’ or is it a case of playing ‘catch up?’

organizations in the non-profit and quango sectors. Data from the *2000 National Survey of Giving, Volunteering and Participating* show that, in 2000, most instances of volunteering and most volunteer hours were directed toward organizations in culture, arts and recreation, followed by social service organizations, religious organizations, education and research organizations, and health organizations (Hall, McKeon and Roberts 2001). The *WES* does not provide data that allows us to look at the responsibilities paid employees in the non-profit sector have relating to the supervision of volunteers, leaving this issue for further research.

**Table 9. Percentage of Employees Who Supervise Other Paid Employees on a Daily Basis, by Selected Employee Characteristics and by Sector, 1999**

	Non-profit Sector	Quango Sector	For-profit Sector	All Sectors
	(Percentage of Employees)			
Men	34.8	39.0	46.1	45.0
Women	35.7	30.3	31.4	31.8
<b>All employees</b>	35.5	33.2	39.2	38.1
<b>By Occupation</b>				
Managers	84.0	87.8	80.1	81.0
Professionals	31.8	32.4	39.3	35.6
Technical/trades	33.3	28.7	38.8	37.5
Clerical/administrative	9.7	15.1	19.4	18.3
Sales/Marketing	--	--	19.5	19.3
Production	--	--	19.7	18.0

Note: '--' Estimates are not shown due to high sampling variability.

Source: Based on data from the *WES*, 1999.

To summarize thus far, employment in the non-profit sector consists largely of highly skilled workers or workers with specialized skills. Many of the jobs in the sector are in managerial, professional and technical occupations that require a post-secondary credential – often a university degree – to do the work. Slightly more than half of employees in the sector say that the skill requirements of their jobs have been on the rise and in this respect, they face many of the same challenges and opportunities as employees in the for-profit and quango sectors.

But there are also some important differences in the nature of work in the non-profit sector compared to the other sectors, differences that have implications for skill change and training needs. Many professionals in the non-profit health, education and social services sub-sectors (as in the quango health and education industry) are in ‘caring’ professions – they are nurses, doctors, teachers, and social workers. In addition, the non-profit culture, recreation and associations sub-sector includes professionals in the

performing arts and workers in museums and in sports organizations. Computers have not (at least yet) replaced the services delivered by these kinds of professionals, services that are embodied in the personal delivery of skilled health care, teaching, performing, coaching, and so on. What this means is that, while workers in the non-profit sector will undoubtedly need to adapt to new computer technologies in the workplace, large segments of the sector will be faced with a need to adapt to other kinds of skill shifts as well. This implies that training needs will be no less important than in other sectors, but that they may encompass different kinds of skills.

## 6. Employer-sponsored Training

Previous research has documented consistent patterns regarding which employees are likely to receive employer-sponsored training. Participation in training tends to increase with an employee's education level and with skill level and tends to be higher for those with a post-secondary education and for those in managerial, professional and technical occupations (Betcherman, Leckie and McMullen 1997). A higher incidence of training is also associated with an employer emphasis on skills and human resource development and with increasingly technological complexity in the workplace (Leckie et.al. 2001).

Analysis of data from the *Adult Education and Training Survey* through the 1990s led Hum and Simpson (2001) to conclude that a set of core variables distinguishes those likely to participate in training. They note that training incidence and duration declines sharply with age, that education (especially post-secondary education) raises training activity, and that the incidence of training tends to be higher both for employees with short tenure (new hires receiving orientation training) and for employees with long tenure. They note as well that there are some differences between men and women; training activity declines more rapidly with age in the case of men, while the positive effect of post-secondary education on training is larger for women. Hum and Simpson find that, in addition to these 'core' variables, other worker and employer characteristics also are significant. They observe that there is more training activity in large firms and in the public sector, and that workers in professional/managerial occupations tend to be involved in more training. And finally, they note that there appear to be reinforcing effects of post-secondary education, a large employer, employment in a professional/managerial position and participation in training.

In this section, we examine a range of employer and employee characteristics typically associated with training, with a focus on the extent to which the non-profit sector 'fits' with common trends documented in the literature.

### **Importance Attached by Employers to Increasing Employee Skills**

We begin assessing the importance of training and skill development among non-profit employers by looking at the importance they attach to these as an organizational priority. The *WES* collected information on the percentage of establishments ranking a variety of business strategies as being not important, important or very important. Included among those strategies is 'increasing employee skills.'

Employers in all three sectors rate the importance of increasing employee skills highly. The non-profit and for-profit sectors are very similar in terms of the importance employers attach to increasing employees' skills as a business strategy. Considering all sectors, about 30 percent of employers rated increasing employee skills as 'very important' or 'crucial,' while about 40 percent rated this as 'important' (Table 10). There is a strong relationship with establishment size. While about one-quarter of non-profit establishments with fewer than 20 employees rated increasing employee skills as a very

important or crucial organizational strategy, this was the case for half of non-profit establishments with 20 or more employees. While the same relationship is evident for the for-profit sector, the percentage of large establishments rating increasing employee skills as being very important/crucial, at 40.9 percent, was lower than was the case for the non-profit sector. We also note that, in both sectors, increasing employee skills does not figure as part of general organizational strategy for close to one third of small establishments (rated as not applicable or not important/slightly important).

**Table 10. Establishment Rating of Importance of ‘Increasing Employee Skills’ as an Organizational Strategy, by Sector, 1999**

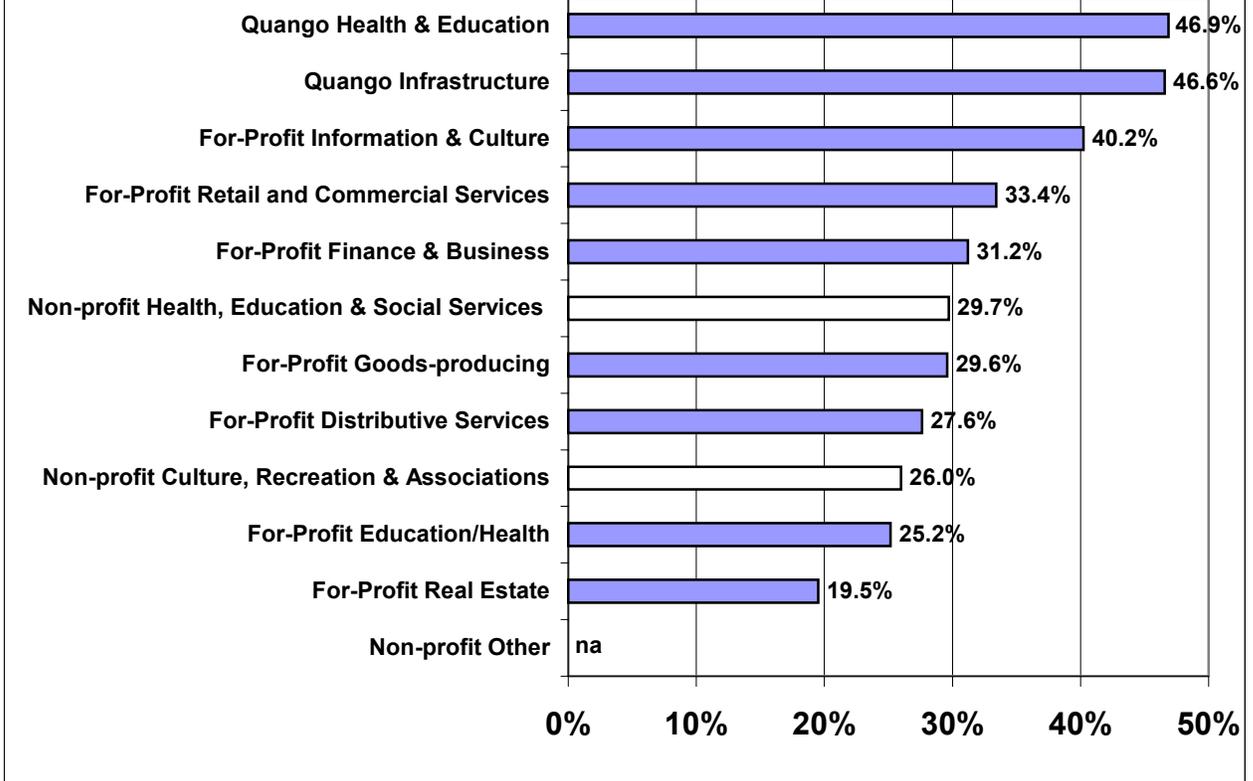
	Non-profit Sector	Quango Sector	For-profit sector	All sectors
(Percentage of Establishments)				
<b>All establishments</b>				
Not applicable	20.7	23.5	17.5	17.8
Not important, slightly important	9.2	--	12.4	12.1
Important	42.4	34.4	39.9	40.1
Very important/crucial	27.6	39.6	30.2	30.1
Total	100.0	100.0	100.0	100.0
<b>Less than 20 employees</b>				
Not applicable	19.9	--	19.6	20.0
Not important, slightly important	10.6	--	13.0	12.8
Important	44.0	--	38.7	38.9
Very important/crucial	25.6	--	28.7	28.4
Total	100.0	100.0	100.0	100.0
<b>20 employees or more</b>				
Not applicable	--	--	2.3	2.7
Not important, slightly important	--	--	8.0	7.3
Important	48.2	31.8	48.8	48.0
Very important/crucial	49.1	58.6	40.9	42.0
Total	100.0	100.0	100.0	100.0

Note: ‘--’ Estimates are not shown due to high sampling variability.

Source: Based on data from the WES, 1999.

When more detailed industries are considered, we find that employers in non-profit health, education and social services and non-profit culture, recreation and associations are in the middle of the pack in terms of the proportions who rate the development of employee skills as a very important or crucial organizational strategy (see Chart 2). The quango industries and for-profit information and culture lead the way in this respect.

**Chart 2. Percentage of Employers Who Rate 'Increasing Employee Skills' as a 'Very Important' or 'Crucial' Organizational Strategy, 1999**



Source: Based on data from the WES, 1999.

### The Provision of Training by Employers

It is clear that developing the skills of employees is considered to be important in most workplaces, but do employers pay more than just lip service to this issue? Does this acknowledgement of the need for skills upgrading translate into the provision of training? And how does the non-profit sector compare to the other sectors in this respect?

Across all three sectors, over half of all establishments provided at least one type of training (classroom training,<sup>12</sup> on-the-job training, and/or subsidies/reimbursements for training) to at least some of their employees in the previous year. And, the percentage of establishments that provided training was, in fact, highest among employers who said that increasing employee skill levels was a very important or crucial aspect of their organizational strategy. Of those non-profit employers who rated the importance of skill

<sup>12</sup> Classroom training is defined in the *WES* as all training activities that have a pre-determined format, including a pre-defined objective, with specific content, and with progress that can be monitored and/or evaluated.

development highly, 84 percent provided some sort of training; classroom training was most prevalent (67 percent), followed by on-the-job training (57 percent) and training subsidies (45 percent). Of the for-profit employers who rated the importance of skill development highly, 77 percent provided some sort of training, with this most often consisting of on-the-job training (64 percent). Virtually all quango organizations that rated skill development highly provided training, with classroom and on-the-job training both being widespread (96 and 93 percent respectively).

Evidence from the *WES* indicates that, in 1999, both small and large establishments in the non-profit sector were much more likely than their for-profit counterparts to provide their employees with training. This is especially evident for the provision of classroom training and of subsidies, reimbursements or other assistance for training or courses taken outside of paid working hours. More specifically, 43 percent of small non-profit establishments provided classroom training to at least some of their employees in the previous year compared to only 24 percent of small for-profits (Table 11). And small non-profit establishments were almost twice as likely as their for-profit counterparts to provide financial and other support for employees who take training or courses outside paid working hours (at 30 and 16 percent respectively). Similar patterns are evident among non-profit and for-profit establishments with 20 or more employees. These data suggest that, on the whole, employers the non-profit sector are more likely to support training for their employees than those in the for-profit sector.

**Table 11. Percentage of Establishments that Paid for or Provided Training for Employees in the Previous Year, by Sector and Establishment Size, 1999**

	Non-profit Sector	Quango Sector	For-profit Sector	All Sectors
	(Percentage of Establishments)			
<b>Classroom training</b>				
Less than 20 employees	43.2	--	24.2	25.7
20 or more employees	83.4	96.3	66.1	68.6
All establishments	49.1	65.3	29.3	31.2
<b>On-the-job training</b>				
Less than 20 employees	38.7	--	39.7	39.6
20 or more employees	80.3	89.6	82.9	82.8
All establishments	44.8	63.0	45.0	45.1
<b>Subsidies, reimbursements</b>				
Less than 20 employees	29.7	--	16.1	17.2
20 or more employees	61.2	76.8	51.6	53.2
All establishments	34.3	48.2	20.4	21.8
<b>Any of the above</b>				
Less than 20 employees	63.3	--	50.3	51.3
20 or more employees	98.5	100.0	91.3	92.2
All establishments	68.4	74.7	55.3	56.5

Note: '--' Estimates are not shown due to high sampling variability.

Source: Based on data from the *WES*, 1999.

At a more detailed industry level, the incidence of training (of any kind) was highest in quango health and education (100 percent) and in non-profit health, education and social services (74 percent) (Table 12). The non-profit culture, recreation and associations sub-sector also ranked relatively high on this measure, with about two-thirds of employers providing training in 1999. The two highest-ranking industries in the for-profit sector were finance and business (63 percent) and information and culture (62 percent).

Industries varied in the relative emphasis they placed on the different methods of delivering training. Two industries – quango health and education and non-profit health, education and social services – are distinguished from all other industries by the fact that they ranked relatively high in the use of all three training-delivery methods – classroom, on-the-job, and training subsidies (Table 12). This suggests that training has become an integral part of business strategy for many organizations in these sub-sectors. The other two non-profit industries – culture, recreation and associations and ‘other non-profit’ – along with quango infrastructure, showed a slight tendency to favour the more formal type of training associated with classroom delivery methods, but the other training methods were also used. In contrast, the most common delivery method reported by industries in the for-profit sector was on-the-job training.

**Table 12. Percentage of Establishments that Provided Training to Employees in the Previous Year, by Type of Training and Sub-sector, 1999**

	<b>Classroom Training</b>	<b>On-the-job Training</b>	<b>Training Subsidy</b>	<b>Any Training</b>
(Percentage of Establishments)				
<b>Non-profit sector</b>				
Culture, recreation and associations	52.8	44.0	27.8	67.4
Health, education and social services	49.6	53.1	43.4	74.4
Other non-profit	40.5	28.5	28.0	57.8
<b>Quango sector</b>				
Infrastructure	52.4	44.3	33.5	60.0
Health and education	75.9	78.3	60.2	100.0
<b>For-profit sector</b>				
Goods-producing	29.2	43.4	21.0	52.8
Distributive services	33.4	47.6	22.0	57.4
Retail trade and commercial services	24.5	47.6	13.7	54.2
Finance and business	38.0	47.0	32.5	63.0
Real estate and leasing	18.4	27.9	10.5	39.7
Education and health	28.6	35.7	23.5	52.6
Information and culture	34.9	53.4	23.4	62.4
<b>All industries</b>	<b>31.2</b>	<b>45.1</b>	<b>21.8</b>	<b>56.5</b>

Source: Based on data from the WES, 1999.

To summarize thus far, the evidence provided by the *WES* is consistent with the findings of other research on training. The incidence of training is higher among larger than smaller employers and it is higher among employers that place a premium on increasing employee skill levels as an organizational strategy. Moreover, these findings apply in the non-profit sector, just as they do in other sectors. The higher incidence of training in the quango sector can be explained in part by the fact that establishments in that sector tend to be relatively large. However, as we showed earlier, the incidence of training appears to be higher among establishments in the non-profit than the for-profit sector, even after taking establishment size and organizational priorities into account.

### **Who Gets Training**

As we noted at the outset, the incidence of training is influenced not only by the characteristics of organizations (e.g. size), but also by the characteristics of the individuals they employ. Research has shown that individuals employed in managerial and professional occupations and those with higher levels of education are more likely than others to receive training. It is to this issue that we now turn.

### ***Classroom Training***

A relatively large share of employees in the non-profit sector reported having received employer-sponsored classroom training in the previous year. While close to one-third of employees in the for-profit sector reported receiving such training, this was the case for almost one-half of those employed in the non-profit and quango sectors (Table 13). Noticeable gender differences are evident in this respect. Specifically, women in the non-profit sector were far more likely than women in the for-profit sector to have received classroom training (a difference of 20 percentage points), while there was little difference among men. In terms of age, differences between the two sectors are most evident among employees aged 35 to 44 and especially those 45 years or older, with employees in these age groups in the non-profit and quango sectors being more likely than their for-profit counterparts to have received classroom training.

Education and occupation are important considerations in the discussion of training. Considering all employees, we find that in the non-profit sector, well over half of managers and professionals received classroom training in the previous year, as did close to 40 percent of employees in technical/trades and in clerical/administrative positions (Table 13). Managers in the non-profit sector were much more likely to have received classroom training than managers in the for-profit sector, while the incidence of training among professionals was similar in the two sectors. In all sectors, employees with a university degree were more likely to receive training than other groups. But, compared to the for-profit sector, non-profit sector employees with less advanced educational qualifications (high school or less, some post-secondary or college completion) were much more likely to have received classroom training in the previous year.

**Table 13. Percentage of Employees Who Received Classroom Training in the Previous Year, by Selected Characteristics, 1999**

	Non-profit Sector	Quango Sector	For-profit Sector	All Sectors
(Percentage of Employees)				
Men	33.7	47.6	35.8	36.7
Women	51.6	49.9	31.9	37.1
<b>All Employees</b>	<b>47.0</b>	<b>49.1</b>	<b>33.9</b>	<b>36.9</b>
<b>Age Group</b>				
Less than 35	36.4	49.2	34.2	35.2
35 to 44	48.5	52.0	36.6	39.6
45 or older	52.8	47.1	31.0	36.0
<b>Education Level – Both Sexes</b>				
High school or less	40.1	42.9	24.7	26.6
Some post-secondary	43.6	46.4	34.3	36.0
College certificate or diploma	45.7	48.7	36.3	39.0
University degree	55.4	52.1	51.9	52.4
<b>Education Level – Women</b>				
High school or less	50.1	37.4	22.9	26.3
Some post-secondary	46.6	45.2	34.9	37.2
College certificate or diploma	49.5	50.9	33.6	38.8
University degree	56.7	54.6	48.6	52.6
<b>Occupation – Both Sexes</b>				
Managers	56.0	66.1	41.2	44.2
Professionals	57.0	53.2	52.9	53.7
Technical/trades	36.8	45.7	33.5	34.8
Clerical/administrative	39.6	39.7	30.5	32.1
Sales/marketing	--	--	20.8	20.8
Production	--	--	22.0	23.7
<b>Occupation – Women</b>				
Managers	66.5	60.7	41.0	46.4
Professionals	62.3	58.2	49.7	55.9
Technical/trades	39.1	44.0	33.0	35.1
Clerical/administrative	41.0	40.2	31.5	33.4
Sales/marketing	--	--	18.1	18.1
Production	--	--	22.5	26.0
<b>Establishment Size</b>				
Less than 20 employees	48.8	--	23.9	25.9
20 employees or more	46.3	49.1	39.7	42.0

Note: '--' Estimates are not shown due to high sampling variability.

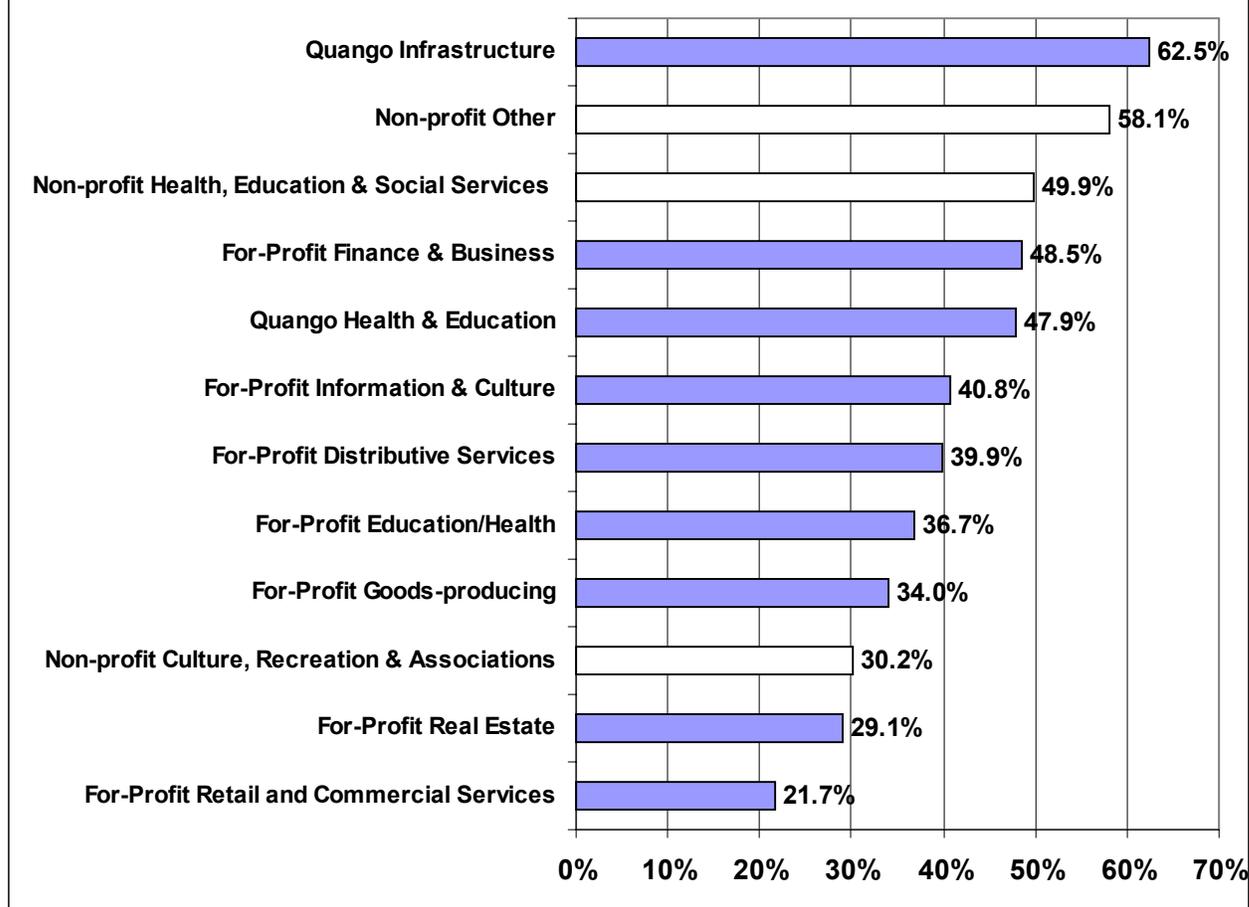
Source: Based on data from the WES, 1999.

Because three-quarters of paid employees in the non-profit sector are women, we take a more detailed look at training for this group. Within most occupational and educational groups, women in the non-profit sector were more likely to receive classroom training than their for-profit counterparts. For example, two-thirds of women in managerial positions in the non-profit sector received employer-sponsored classroom training in 1999 compared to 41 percent of female managers in the for-profit sector (Table 13). Similarly, 62.3 percent of women professionals in the non-profit sector received such training compared to 50 percent of those in the for-profit sector. And, while female university graduates in the non-profit sector were more likely to have received classroom training than their for-profit counterparts, the 'non-profit training premium' was even higher for women with less than a university education and for women with less than high school in particular.

There was considerable variation in the rate of participation in classroom training by employees in different non-profit sub-sectors. Within the non-profit sector, the percentage of employees who received classroom training was highest in health, education and social services and in 'other' non-profit industries, at 50 and 58 percent respectively (Chart 3). These rates are comparable to those in the quango industries and the for-profit finance and business industry. Participation in classroom training in the non-profit culture, recreation, and associations sub-sector was lower, standing at about 30 percent in 1999.

Overall, evidence from the *WES* suggests that the non-profit sector compares quite favourably to the for-profit sector in terms of the provision of classroom training. Even within small organizations (those with fewer than 20 employees), the share of non-profit employees who received classroom training (at 49 percent) was twice as large as the share of for-profit employees (at 24 percent).

**Chart 3. Percentage of Employees Who Received Classroom Training in the Previous Year, by Industry and Sector, 1999**



Source: Based on data from the WES 1999.

Of course, the mere receipt of classroom training is only one factor to consider in the discussion of learning, skills and innovation. The amount of training taken, the quality of instruction, the relevance of the subject matter and the workplace supports in place to ensure the training is applied on the job are some of the other factors that contribute to the effectiveness of training. The *WES* data provide a few insights on some of these issues (Table 14).

**Table 14. Selected Characteristics of Classroom Training, by Sector, 1999**

	<b>Non-profit Sector</b>	<b>Quango Sector</b>	<b>For-profit Sector</b>	<b>All Sectors</b>
(Percentage of Employees Participating in Classroom Training)				
<b>Number of courses taken</b>				
One course	37.8	37.1	45.1	43.0
Two course	30.5	28.0	25.1	26.2
Three or more courses	31.7	34.9	29.8	30.8
Total	100.0	100.0	100.0	100.0
<b>Duration of course(s)<sup>1</sup></b>				
Less than 2 days	31.4	42.7	35.9	36.5
2 days	18.7	19.0	18.1	18.3
3 or 4 days	24.9	19.9	19.4	20.1
5 to 9 days	19.4	11.0	16.4	15.8
10 days or more	5.6	7.4	10.2	9.3
Total	100.0	100.0	100.0	100.0
<b>Most common types of training received<sup>2</sup>:</b>				
Professional training	22.4	18.8	14.0	15.7
Computer software	16.8	25.3	21.1	21.3
Occupational health & safety	12.8	9.4	11.1	5.9
Management/Supervision	4.2	4.0	6.6	11.0
Other <sup>3</sup>	43.8	42.5	47.2	46.1
<b>Location of training<sup>2</sup></b>				
Entirely at the workplace	39.8	55.1	39.7	42.3
Partly at the workplace	--	--	--	1.3
Not at the workplace	57.7	42.5	59.4	56.4
Total	100.0	100.0	100.0	100.0
<b>Scheduling of training<sup>2</sup></b>				
All during normal work hours	75.9	76.5	74.2	74.8
Partly during normal work hours	--	--	--	2.6
Outside of normal work hours	22.2	19.6	23.3	22.6
Total	100.0	100.0	100.0	100.0
<b>Most common training providers<sup>4</sup></b>				
Outside trainer	70.2	55.9	57.4	58.5
In-house trainer	16.4	35.2	25.4	26.1
Supervisor or co-worker	10.5	8.4	8.4	8.6
Other	7.0	6.8	11.9	10.6

<sup>1</sup> Total duration of first and second course (if applicable) taken by the respondent.

<sup>2</sup> Refers to first course taken.

<sup>3</sup> The great majority of the training included in 'other' training is allocated to this category in the *WES*.

<sup>4</sup> Training provider for first course. Respondents could choose more than one training provider so percentages do not sum to 100 percent.

Note: '--' Estimates are not shown due to high sampling variability.

Source: Based on data from the *WES*, 1999.

Generally, the classroom training taken by paid employees was of relatively short duration. Of the non-profit employees who received classroom training during the previous year, 38 percent took one course during the year and 62 percent took two or more courses (Table 14). In most cases, the total combined duration of the first and second course (if taken) was less than three days. This was also the case in the quango and for-profit sectors, as most classroom-training recipients received less than three days of instruction.<sup>13</sup>

Among non-profit employees who received classroom training, professional training was the most common type of training, reported by 22 percent of the employees who participated in training.<sup>14</sup> This compares to 14 percent of employees who took classroom training in the for-profit sector. Computer software and occupational health and safety were the second and third most prevalent types of classroom training in the non-profit sector. Given the responsibilities that non-profit employees have for supervising paid employees as well as volunteers, it is interesting to note that less than 5 percent of classroom training participants received instruction on management and supervision. But, again, this is comparable to the quango and for-profit sectors. Finally, relatively large percentages of employees in all sectors (a third or more) reported taking “other” types of training (32 percent). Unfortunately, details on the content of this training are not available.<sup>15</sup>

Among non-profit employees, most classroom training was taken during normal work hours and was provided off-site by an outside training provider. The evidence suggests that non-profit employees were somewhat more likely than their for-profit and quango sector counterparts to receive classroom instruction from outside trainers and were less likely to receive it from in-house trainers. This difference remained when comparisons were limited to employees in establishments with fewer than 20 employees. Overall, outside suppliers appear to play an important role in the provision of classroom training in the non-profit sector, especially in smaller establishments.

### ***On-the-Job Training***

While there were considerable differences between sectors in the provision of classroom training, the same is not true when on-the-job training is considered. Instead, about 30 percent of employees in each of the non-profit, quango and for-profit sectors reported that they had received on-the-job training in the previous year (Table 15). Generally, gender and age differences were fairly modest in this respect. We do note, however, that managers in the non-profit sector were much less likely than managers in both the for-

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<sup>13</sup> These duration figures refer to the combined duration of the first and, if applicable, second classroom-training course taken. About one-third of classroom training recipients took three or more courses. In these cases, only the combined duration of the first two courses has been counted, while the duration of subsequent courses has not. Hence, the figures reported here are slightly low.

<sup>14</sup> These patterns are evident for both the first and second courses reported.

<sup>15</sup> One-third or more of the classroom training (and as we will see below, on-the-job-training as well) reported by employees in all three sectors is allocated to a residual ‘other’ category in the WES. This suggests that efforts might usefully be applied to revising the training categories used in the WES to capture and identify more explicitly the content of training now allocated to the broad ‘other’ category.

profit and the quango sectors to report having received on-the-job training in 1999. As was the case for classroom training, the incidence of on-the-job training is associated with establishment size, with employees in larger workplaces being more likely to have received such training than those in smaller ones. When more detailed industries are considered, we find that about 25 to 30 percent of employees in each of the non-profit sub-sectors industries had received on-the-job training in the previous year (see Chart 4).

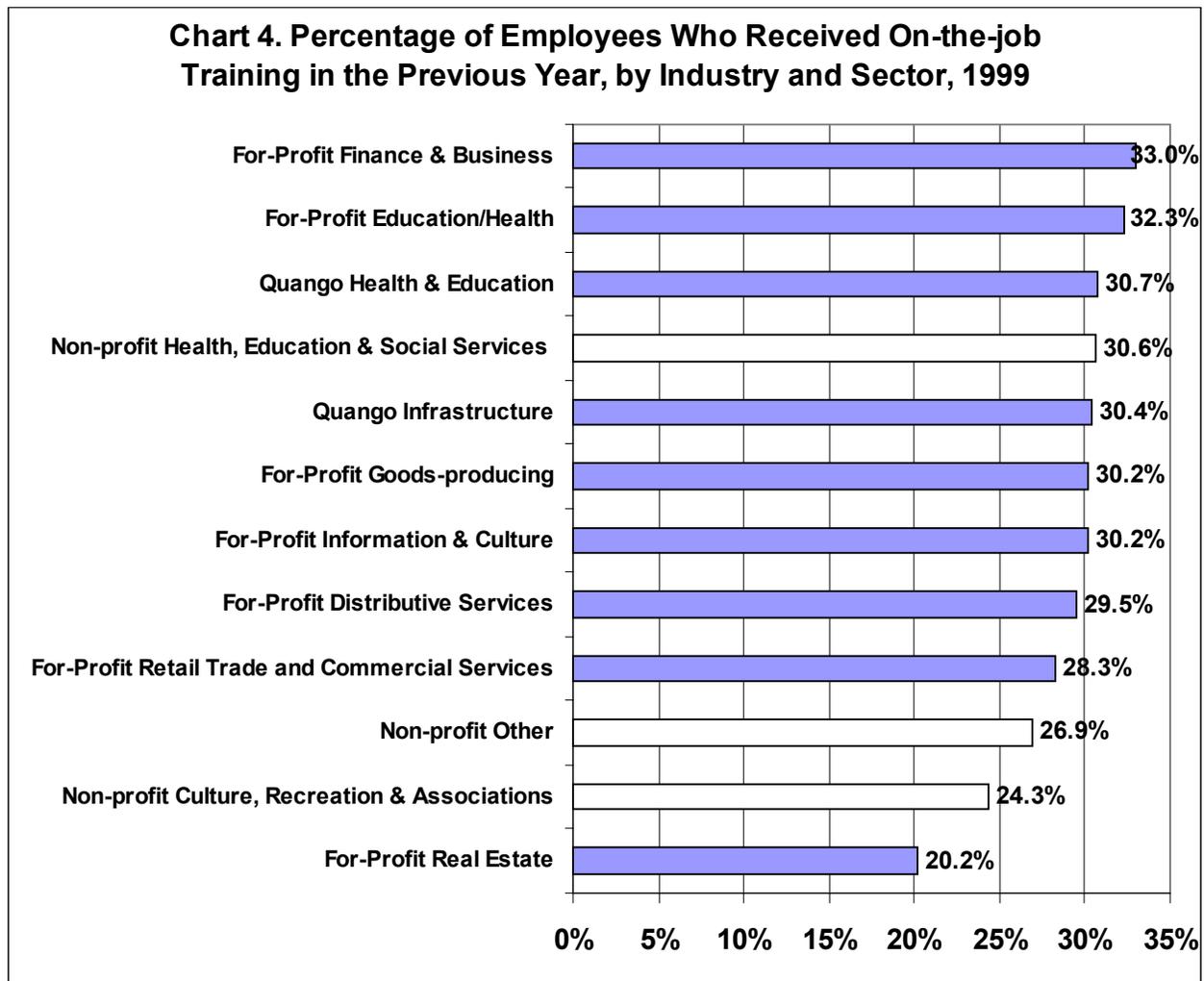
**Table 15. Percentage of Employees Who Received On-the-job Training in the Previous Year, by Selected Employee Characteristics, 1999**

	Non-profit	Quango	For-profit	All Sectors
	(Percentage of Employees)			
Men	26.7	26.9	28.6	28.4
Women	29.2	32.6	31.4	31.3
<b>All employees</b>	<b>28.5</b>	<b>30.7</b>	<b>29.9</b>	<b>29.9</b>
<b>Age Group</b>				
Less than 35	24.2	33.2	34.1	33.4
35 to 44	35.8	34.8	30.2	31.3
45 or older	24.9	27.1	24.8	25.2
<b>Occupation – Both Sexes</b>				
Managers	16.6	31.3	31.0	29.8
Professionals	34.2	32.2	35.6	34.1
Technical/trades	23.4	28.4	27.1	27.0
Clerical/administrative	42.9	30.6	34.0	34.2
Sales/marketing	--	--	27.8	27.6
Production	--	--	31.1	30.8
<b>Occupation – Women</b>				
Managers	18.4	34.9	34.9	32.6
Professionals	35.8	34.0	36.7	35.4
Technical/trades	24.2	30.7	28.5	28.3
Clerical/administrative	38.8	31.1	34.3	34.2
Sales/marketing	--	--	27.9	27.6
Production occupations	--	--	30.5	30.2
<b>Establishment Size</b>				
Less than 20 employees	17.1	12.0	24.2	23.7
20 or more employees	32.9	31.0	33.2	32.8

Note: '--' Estimates are not shown due to high sampling variability.

Source: Based on data from the WES, 1999.

Overall, patterns evident for on-the-job training are very similar to those reported for classroom training. The largest shares of employees (40 to 45 percent) in the three sectors received less than two days of on-the-job training and about 65 to 70 percent received less than five days (Table 16). That being said, we note that in the for-profit sector, where the overall incidence of on-the-job training was higher, close to 20 percent of the employees who received on-the-job training in 1999 reported that that training was 10 days or more in duration. The most common subjects of on-the-job training reported were computer software, professional training, occupational health and safety, and orientation. But, about one-third of employees in each sector reported receiving ‘other’ types of on-the-job training; again, the details of what this involved are not available from the *WES*.



Source: Based on data from the *WES* 1999.

Over one-third of non-profit employees who received on-the-job training reported that this training was provided by an outside trainer. Again, the use of outside trainers appears to be somewhat more prevalent in the non-profit sector than elsewhere. About one-

quarter of on-the-job training recipients reported that a supervisor provided the training and one-quarter reported that the training was delivered by an in-house trainer.

**Table 16. Selected Characteristics of On-the-job Training, by Sector, 1999**

	Non-Profit	Quango	For-profit	All Sectors
(Percentage of Employees Who Received On-the-job Training)				
<b>Duration of on-the-job training over previous year</b>				
Less than 2 days	44.4	42.0	41.9	42.2
2 days	16.8	14.4	12.7	13.2
3 or 4 days	10.6	8.6	9.8	9.7
5 to 9 days	18.32	16.8	16.0	16.2
10 days or more	9.9	18.2	19.6	18.7
Total	100.0	100.0	100.0	100.0
<b>Most common types Of training received</b>				
Computer software	25.3	32.2	27.4	27.8
Professional training	17.9	22.6	14.5	15.8
Occupational health & safety	11.4	6.5	6.7	7.0
Orientation	6.0	4.3	10.5	9.3
Other	33.1	29.7	32.0	31.8
<b>Most common training providers<sup>1</sup></b>				
Outside trainer	35.9	23.9	17.2	19.6
Supervisor	27.2	12.8	35.4	31.8
In-house trainer	24.3	41.8	21.5	24.3
Co-worker	16.8	21.1	23.9	23.0
Other	8.4	14.2	16.2	15.3

<sup>1</sup> Respondents could choose more than one training provider so percentages do not total 100.  
Source: Based on data from the *WES* 1999.

### **The Perceived Adequacy of Training**

It may be the case that even though they receive training, employees may still find it difficult to meet the demands of their job. New job demands and rising expectations may mean that a few days of training are not sufficient to develop the additional skills that are needed to do the job well.

In the *WES*, respondents were asked, “*Would you say that the amount of training that you take is about right, too little or too much for the demands of the job?*” The majority of employees in all three sectors said that the amount of training they receive is ‘about right.’ But 36 percent of employees in the non-profit and 38 percent of those in the quango sector said the amount of training they received was too little for the demands of

the job (Table 17). These shares were higher than was the case for the for-profit sector, where only about 27 percent of employees felt they received too little training.

**Table 17. Employees' Perceptions of the Adequacy of Training They Receive, by Sector, 1999**

<b>Amount of Training Received is:</b>	<b>Non-profit Sector</b>	<b>Quango Sector</b>	<b>For-profit Sector</b>	<b>All Sectors</b>
	(Percentage of Employees)			
Too little	35.5	37.8	26.9	29.0
About right	63.3	60.5	71.3	69.3
Too much	--	--	1.7	1.7
Total	100.0	100.0	100.0	100.0

Note: '--' Estimates are not shown due to high sampling variability.

Source: Based on data from the WES, 1999.

The fact that non-profit (and quango) employees were more likely than for-profit employees to say that they received too little training generally remains when other characteristics, such as gender, occupation and establishment size are considered. For example, 42 percent of women in professional occupations in the non-profit sector said they receive too little training, compared with 33 percent of women in professional occupations in the for-profit sector (Table 18). But we also note that, in the non-profit sector, the percentage of employees reporting that the amount of training they received was inadequate dropped to 29 percent for employees aged 45 or more. This is similar to the percentage for this age group in the for-profit sector and smaller than was the case for the quango sector at 36 percent.

**Table 18. Percentage of Employees Who Say that the Amount of Training They Receive Is Too Little for the Demands of their Job, by Selected Characteristics and by Sector, 1999**

	Non-profit Sector	Quango Sector	For-profit Sector	All Sectors
	(Percentage of Employees)			
Men	33.5	36.0	29.3	30.1
Women	36.2	38.7	24.3	28.0
<b>All employees</b>	<b>35.5</b>	<b>37.8</b>	<b>26.9</b>	<b>29.0</b>
<b>Age Group</b>				
Less than age 35	38.3	41.3	27.5	29.0
Aged 35 to 44	41.0	38.4	28.5	30.9
Aged 45 or more	29.0	36.1	24.7	27.2
<b>Occupation – Both Sexes</b>				
Managers	35.6	38.6	28.0	29.4
Professionals	40.6	41.0	32.9	37.1
Technical/trades	32.1	32.6	28.9	29.4
Clerical/administrative	26.9	40.1	26.9	28.3
Sales/marketing	--	--	17.7	17.8
Production	--	--	19.4	22.3
<b>Occupation – Women</b>				
Managers	26.1	27.4	30.1	29.3
Professionals	41.8	42.8	33.4	39.1
Technical/trades	37.3	34.2	23.9	26.8
Clerical/administrative	27.6	41.1	26.7	28.5
Sales/marketing	--	--	15.6	15.8
Production	--	--	17.2	22.4
<b>Establishment</b>				
Less than 20 employees	33.9	39.7	21.5	22.5
20 or more employees	36.3	37.8	30.1	32.0

Note: '--' Estimates are not shown due to high sampling variability.

Source: Based on data from the WES, 1999.

These figures refer to all employees and so some of the individuals who reported that the amount of training they receive is too little for the demands of the job may not, in fact, have received any training. Indeed, among non-profit employees, individuals who did not receive training were more likely than those who did to say that the amount of training was inadequate (Table 19). This is particularly the case for female employees. In short, training does appear to make a difference for non-profit employees, insofar as individuals who received training were more likely than others to feel prepared to do their job. This was not the case for the for-profit and quango sectors, where regardless of

whether an employee had received training or not, similar percentages reported that the amount of training was inadequate.

Overall, the non-profit sector compares quite well to the other sectors (especially the for-profit sector) in terms of the incidence of training. However, many employees, including some who received training, still felt they did not receive enough training to meet the demands of their jobs. But, the percentages reporting that the amount of training was inadequate were similar in the quango sector. This suggests that there may be common threads linking these two sectors.

First, the 1990s were a period of significant change in the public sector, with reduced spending, downsizing, and substantial organizational change. There are strong links between the public sector and both the non-profit sector and the quango sector, with changes in the public sector having ripple effects on the latter two. It may be the case, then, that many employees in the non-profit and quango sectors felt that the incidence and adequacy of training were not keeping pace with the rate of change in job and skill demands. Second, the two sectors include a number of occupations, like nurses, doctors and teachers, for whom continuous skills upgrading through formal training may be a requirement for maintaining professional certification. Third, the fact that many employees in these sectors have post-secondary credentials and are employed in managerial, professional and technical occupations, may mean that expectations regarding training are generally high. Such individuals tend to be particularly aware of the importance of skills upgrading and concerned about getting the training they need to stay up-to-date in their fields.<sup>16</sup>

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<sup>16</sup> It may also be the case that individuals in the non-profit sector are increasingly conscious of the broader health and vitality of the sector itself. There has been considerable debate and discussion about the challenges and future of the non-profit sector in Canada, reflected for example in the establishment of the Voluntary Sector Initiative, and greater recognition of the importance of human capital development as an integral part of that future be one outcome.

**Table 19. Percentage of Employees Who Say that the Amount of Training They Receive Is Too Little for the Demands of the Job, by Whether or Not Training Was Received, by Sector, 1999**

	Non-profit Sector	Quango Sector	For-profit Sector	All Sectors
	(Percentage of Employees)			
<b>ALL EMPLOYEES</b>				
<b>Classroom training</b>				
Received	32.0	37.6	25.4	28.2
Not Received	38.7	38.0	27.7	29.5
<b>On-the-job training</b>				
Received	33.8	37.4	27.1	28.9
Not Received	36.4	38.0	26.9	29.0
<b>Any Training</b>				
Received	33.3	37.3	26.7	28.8
Not Received	39.1	38.8	27.2	29.2
<b>WOMEN</b>				
<b>Classroom training</b>				
Received	32.2	39.8	22.4	27.6
Not Received	40.7	38.3	25.2	28.3
<b>On-the-job training</b>				
Received	31.9	42.3	26.9	29.7
Not Received	38.2	37.7	23.1	27.2
<b>Any Training</b>				
Received	32.7	38.7	24.6	28.3
Not Received	43.4	38.8	23.9	27.6

Note: '--' Estimates are not shown due to high sampling variability.

Source: Based on data from the WES, 1999.

The *WES* provides some clues as to why some employees in the non-profit sector are concerned about the amount of training they get from their employers. The *WES* asked individuals, ‘*Since you began working for this company, has the amount of training available to employees increased, decreased or remained about the same?*’ Compared with employees in the quango and for-profit sectors, non-profit employees were somewhat more likely to say that the amount of training had decreased and were somewhat less likely to say that it had increased (Table 20). This is especially the case when the comparison is limited to employees who had been in their organization for at least four years and hence had a longer time frame for reference.

**Table 20. Employee Perceptions of Changes in the Amount of Training Available since They Joined the Organization, 1999**

	Non-profit Sector	Quango Sector	For-profit Sector	All Sectors
	(Percentage of Employees)			
<b>All employees</b>				
Amount of training has:				
Decreased	11.4	9.1	4.9	6.0
Stayed the same	58.9	51.7	61.8	60.3
Increased	29.7	39.2	33.3	33.7
Total	100.0	100.0	100.0	100.0
<b>Job tenure of 4 years or more</b>				
Amount of training has:				
Decreased	12.8	10.2	5.9	7.2
Stayed the same	54.6	47.3	55.4	54.0
Increased	32.6	42.5	38.7	38.8
Total	100.0	100.0	100.0	100.0

Source: Based on data from the WES, 1999.

Considering employees with job tenure of four years or more, evidence from the *WES* suggests that non-profit employees in managerial, professional and technical/trades occupations all were less likely than their counterparts in the quango and for-profit sectors to say the amount of training available to them had increased (Table 21).

**Table 21. Percentage of Employees with Job Tenure of Four Years or More Who Say that the Amount of Training Available Has Increased since They Joined the Organization, by Occupation and by Organization Size, 1999**

	Non-profit Sector	Quango Sector	For-profit Sector	All Sectors
	(Percentage of Employees With Job Tenure of Four Years or More)			
<b>Occupation</b>				
Managers	37.4	72.8	49.7	50.9
Professionals	33.7	36.6	48.0	40.5
Technical/Trades	29.6	41.8	37.7	37.5
Clerical/Administrative	48.6	51.8	38.6	40.9
Sales/Marketing	--	--	20.7	20.8
Production	--	--	24.1	22.6
<b>Firm Size</b>				
Less than 20	33.4	41.9	30.6	30.7
20 or more	33.2	42.6	42.9	41.9

Note: '--' Estimates are not shown due to high sampling variability.

Source: Based on data from the WES, 1999.

This suggests that although the incidence of training provided by establishments in the non-profit sector is still high relative to other sectors, the amount of training being provided has remained static or diminished. That, in combination with growing pressures on the sector, may be a cause for concern for employees and one of the reasons why some employees have the perception that the amount of training provided is inadequate for them to meet the demands of their jobs.

## 7. Discussion and Research Gaps

Given the concerns that have been expressed about the financial pressures facing many organizations in the non-profit sector, one might have expected the incidence of training to be lower in the sector compared to other sectors. It would be difficult, one might assume, to find the funding or the staff time to invest in training. But the evidence – at least in terms of the incidence of training – tells a somewhat different story. The incidence of classroom training and training subsidies provided by employers was higher in the non-profit than the for-profit sector, with these differences remaining when establishment size and the importance of increasing employee skill levels in organizational strategy are taken into account. And non-profit establishments were as likely as their for-profit counterparts to provide on-the-job training. Moreover, the rate of employee participation in classroom training was generally higher in the non-profit than the for-profit sector, with this difference remaining when factors such as occupation and education are taken into account. And finally, non-profit employees were about as likely as for-profit employees to receive on-the-job training. In short, the non-profit sector on the whole appears to perform relatively well on the training front compared to the for-profit sector. In this respect, the non-profit sector is similar to the quango health and education industry, its closest neighbour in terms of job content and employee demographics.

But, as we noted at the outset of this report, having information on the incidence of training is only the beginning of the story. Changing skill requirements and training needs are complex issues. Put simply, indicators of the incidence of training measures training ‘episodes’ – they tell us nothing about the quality or relevance of the training, for example.

Moreover, analysis at the broad level of the sector as a whole or for the broad sub-sectors defined for this analysis masks differences that may exist at the industry level. Limited sample size at the level of individual industries prevents us from identifying where finding the resources to invest in employee training remains a problem for individual organizations or for parts of the sector. In her study of the non-profit arts and heritage sub-sector, for example, Harvey (2002) finds that there are a number of obstacles to managers’ taking time off from their jobs for professional renewal. Some of these obstacles include lack of money or lack of time. She goes on to note that often, managers cannot take time off for training “... because there are too few employees, because they are already overworked, or because staff positions which in the past developed future leaders were eliminated during the period of government cutbacks” (Harvey 2002, p. 14). Specific organizational situations and needs will differ, meaning that assessments of the adequacy of training must be made at the level of individual organizations or finely defined industries.

Moreover, a number of intervening factors operate at the level of the individual and the workplace that can act to cause ‘leakage’ of the gains realized through investment in training. Not all training is effective, for example. Despite participating in training, it may be the case that no learning takes place due to the personal characteristics of the

employee or to poor training delivery. Or, training may take place, but the training may not be relevant to an individual's job. In either case, there are no real gains associated with the training. But even in cases where learning does take place and the skills and knowledge acquired by an individual is relevant to the job, leakage can occur. For example, the employee may have no time to apply the newly acquired skills in the workplace or there may be no change in job design that allows the new skills to be used. The result will be erosion through time of the skills acquired through training because of lack of use.

The ultimate goal of training should be that employees learn new skills that are relevant to their jobs; changes take place in work systems and job design that allow employees to apply the newly acquired skills; and employees are given time to apply the new skills, allowing them to move up the learning curve and improve job – and organizational – performance. Developing this depth of understanding about training requires that more research be undertaken at the workplace level.

Finally, the non-profit sector encompasses organizations in a very wide range of activities. Many organizations share common skill needs. Indeed, recognition of these common needs is reflected in the fairly recent trend toward the development of specialized academic programs at the post-secondary level. An overview of a selection of post-secondary programs points to some common themes. Examples include courses in: financial management; fundraising and resource development; program planning and evaluation; management, leadership and decision making; human resource management; strategic and operational planning; board, community and government relations; marketing; team building; communications and public relations; and volunteer retention and commitment. Similarly, professional associations are becoming well established in some fields, such as fundraising. One consequence of these developments is that the core competencies of individuals, in some specialized fields at least, are being codified in academic curricula, professional standards, codes of conduct, and professional certification.

But the range of activities in which non-profits are engaged also means that specific organizations and sub-sectors will have specialized skill requirements. Further research is needed to identify what those skill needs are and how training can be used to meet those needs. Sector councils active in a number of industries are engaged in developing detailed skills profiles and skills inventories to assist their members in determining their skill and training requirements and may provide useful models in this respect.

In this regard, we call attention again to the fact that a relatively large percentage of employees in the *WES* reported that the training they had taken fell into an 'other' category, not captured in the standard list of types of training typically used in surveys. The non-profit sector was not unique in this respect, with many employees in the other sectors also reporting their training as being 'other.' It may be that national surveys of this kind cannot hope to capture the range of skills training that exists in the economy. But, it may be instructive to 'unpack' that category to begin the process of understanding at a finer level of detail what kinds of training are being offered to employees in the non-profit sector. Some commentators in the sector have suggested, for example, that a good

part of that training may consist of participation in conferences, rather than of more formal, skills-focused training.

## 8. Conclusion

Like other sectors of the Canadian economy, the non-profit sector has entered a period of change. Change is evident in the perceived role of the sector in Canadian society, as it takes on responsibility for delivery of some services formerly provided by government. It is also evident in changes to the sector's revenue base. And, though more data are needed to establish a longer-term trend, there is an indication that the total number of hours donated by Canadians through volunteering may be decreasing, again placing pressure on the human resource capacity of the non-profit sector.

Survival in the face of significant change in the external environment requires adaptability, flexibility and innovation – developing new and better ways of operating. Human resources – human ingenuity and human skills – are the key resources of modern-day societies as they seek innovative ways of meeting new challenges. This is the case in all industries, but especially in organizations like those in the non-profit sector that are human-resource intensive. The new imperatives of adaptability and innovation place employee skills, training and skill development at the centre of this discussion.

Compared to the for-profit sector, the non-profit sector workforce is highly skilled – educational qualifications and perceived minimum educational requirements among the non-profit sector workforce are higher than for employees in the for-profit sector. In this respect, the non-profit sector is more similar to the quango sector than to the for-profit sector. Over half of employees in the non-profit sector reported that the overall skill requirements of their jobs had increased and over half also reported that the technological complexity of their jobs had increased. Clearly, the need to learn new skills and to be flexible in the face of change is an important consideration for many employers and employees in the sector. Indeed, close to 70 percent of non-profit employers consider increasing employee skills as an important or crucial element of their organizational strategy.

Overall, the non-profit sector compares rather well in terms of its demonstrated commitment to training, especially with respect to the provision of classroom training and training subsidies/reimbursements to employees. On the one hand, it might be argued that that is because employees in the sector tend to be relatively highly educated – a group that tends to receive more training anyway. But, the rate of participation in training is higher in the non-profit sector compared to the for-profit sector for employees with a wide range of characteristics and across the range of educational qualifications. Thus we find that, compared to the for-profit sector, much higher percentages of employees in the non-profit sector who have only a high school education or who have completed college receive training. The incidence of training also is higher for women, for workers aged 35-44 and for those aged 45 or more. And it is especially higher for women in managerial and professional positions.

Training is an important tool for equipping employees with new and upgraded skills that allow them to meet the changing demands of their jobs effectively and confidently. It can also act as a signal that employers recognize that employees are faced with new skill

demands and that they are committed to their employees – key factors affecting the quality of the employment relationship and ultimately productivity, morale, recruitment and retention.

Some of the evidence presented in this report suggests that the non-profit sector may be slipping behind employers in other sectors when it comes to increasing the amount of training available to employees. Future research should monitor trends in this respect. Research on training, organizational commitment to training and the impacts of training has found that striving to become a ‘learning organization’ can bring many benefits to organizations and their employees (see Betcherman et al. 1998). A key element in becoming a learning organization is the strength of commitment to training investments by senior management.

We also recognize the unique circumstances faced by organizations in the non-profit sector in this respect, for it is not only senior managers who are involved in training decisions, but boards of directors as well, through the influence they have on the management of non-profit organizations. Just as in the case of organizations in other sectors of the economy, non-profit organizations must strive to be efficient and cost effective in organizational administration. Investing in training and incorporating skill development into business strategy are important tools for achieving those ends, as they are for achieving organizational effectiveness and adaptability in the long run.

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