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Frontispiece: wordle.net representation of Glasgow third sector workers’ responses to *“Have you any other comments on your job in the last 12 months?”*.

Richard Scothorne, Director
Rocket Science UK Ltd
2 Melville Street
Edinburgh
richard.scothorne@rocketsciencelab.co.uk
0131 226 4949



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The research team was:

- Richard Scothorne – Director, Rocket Science
- John Halliday – Senior Consultant, Rocket Science
- Dr David Toner – Consultant, Rocket Science
- Dr Nancy Burns – Consultant, Rocket Science
- Jo Fawcett – Director, Why Research
- Neil Costley – Director, Why Research.

The research Steering Group was:

- James Egan – Glasgow Centre for Population Health
- Mick Doyle – Glasgow Council for the Voluntary Sector
- Lisa Buck – NHS Greater Glasgow and Clyde
- Ricky Fleming – Glasgow Centre for Population Health
- Stephen Sprott – Glasgow City Council
- Samira Adris – Glasgow Council for the Voluntary Sector.

Additional advisory input was provided by Lorna Kelly, Glasgow Centre for Population Health.

Questionnaire design and question sources:

- James Egan – Glasgow Centre for Population Health
- Martin Taulbut – NHS Health Scotland
- Warwick-Edinburgh Mental Well-Being Scale © NHS Health Scotland, University of Warwick and University of Edinburgh
- European Working Conditions Survey (<http://eurofound.europa.eu/surveys/ewcs>)
- Scottish Health Survey work stress at work (Version A) module.



Executive summary

The aims of this research brief were to:

- Increase our understanding of key labour market changes, including employment conditions, work-life balance, changing work histories, household income, and the impact of these changes on this workforce.
- Identify organisational changes within the voluntary sector (such as demands for services, resource availability and design or quality of services) and how the workforce is responding to these changes within the current economic climate.
- Explore the interaction between health, work and life within the sector, with reference to individual control, change, security and available support.

The work was initiated on the back of a growing body of local anecdotes and national evidence¹ that suggested that the nature of the third sector in Glasgow was changing. To explore in detail the character of these changes and their implications we carried out face to face interviews with 163 individuals in 71 of Glasgow's third sector organisations using a questionnaire developed by the Glasgow Centre of Population Health (GCPH)^{2,3}.

The sample methods included using the Infobase database of third sector organisations held by GCVS as the starting point. The analysis is representative of the Infobase database, which has been assumed⁴ as sufficiently representative of the third sector in Glasgow for the purposes of this research.

Glasgow's third sector workforce

The third sector workforce is unlike the workforce in other sectors in terms of the way they work. Challenging times in communities mean that those in third sector organisations work harder to address these challenges in the face of adversity.

We have found that ***Glasgow's third sector workforce displays a distinctive profile compared with the wider workforce across Strathclyde.*** Its workforce is more qualified, more female, older (1 out of every 4 are women aged 45-54), and may be slightly less ethnically diverse than in other sectors.

Glasgow's third sector workers also appear to display similar or better health and wellbeing than third sector workers in national statistics.

¹ From various work by the Scottish Council for Voluntary Organisations

² In each case a "key manager" was contacted and interviewed plus up to 4 other staff who the key manager was able to secure for us to interview. We interviewed a wide range of staff including those "in the field" and based in offices. The sample, however, only included two sessional staff despite a prompt in the key manager discussion to specifically request access to sessional staff.

³ We asked workers whether they were "sessional staff" so we allowed workers to self-define. However, broadly speaking sessional staff are those without employment contracts placing a shared requirement on employer and employee to find and deliver work for a fixed number of hours per week. Sessional workers tend to have fewer employment rights than "employees"; they are paid on an hourly basis as needed by the employer.

⁴ Even after acknowledging and accepting shortcomings of this approach



In terms of the financial situation the proportion of the workforce living “in households in poverty” (i.e. below £263 per week, 60% of the national median) was, at 8%, around half the national rate (15%) amongst working age people. 80% of the organisations we interviewed paid the Living Wage.

Experience of recent changes in Glasgow’s third sector

Workers report that ***to a great extent the nature of the sector has being affected by welfare reform and public sector budget cuts.*** These have directly led to increased competition for funding and constrained spending within third sector organisations.

Thinking about the last year, we heard that:

- 8 out of every 10 organisations experienced an increase in demand for their services.
- 7 out of every 10 organisations experienced an increase in competition.
- 7 out of every 10 organisations experienced an increase in restructuring.
- 7 out of every 10 organisations experienced an increase in tightening expenditure constraints.
- 4 out of every 10 organisations experienced an increase in collaborations and/or mergers.
- 1 out of every 10 organisations report a decrease in quality of their service.

While most organisations feel they are trying to maintain quality, many staff are hard pressed to deliver the work they are meant to – requiring changes in the work they do (for example, as funding applications become more onerous and monitoring more administratively burdensome) or requiring longer hours of work.

We heard stories of a small number of organisations experiencing major problems, where the extent of their required restructuring, overworking or refocusing has made things exceptionally difficult for staff.

These changes are expected to continue to pose further challenges over the next twelve months, potentially accumulating or worsening.

Overall, a small number of workers reported that they, or their organisation, had passed a ‘tipping point’ of demoralisation and depletion. There is a risk that more workers and organisations will reach this tipping point in the future as difficult times continue in terms of increasing demands and falling incomes. This could lead to reduced wellbeing, increased absenteeism, leading to further organisational difficulty in delivering, so creating more problems for organisations, workers, beneficiaries and their communities.



Workers' day to day satisfaction and workplace benefits

At the same time as hearing serious stories from a minority and some indications of stress and work overload from a majority, we found that, overall, the workforce are resilient and a large majority experience basic job satisfaction in what they do day-to-day. For many workers in many different types of role ***the challenges they face in doing their work in communities (with the stress that brings) adds to their enjoyment of their work.***

Almost all those we interviewed (19 out of every 20) reported that they experience at least some job satisfaction each week and experience more job satisfaction than dissatisfaction. Further, we found that many people working in Glasgow's third sector feel passionately about their job, with job satisfaction, flexibility, variety, support, work-life balance and autonomy cited as reasons:

- Almost all interviewees reported that they would find it easy to take an hour or two off in a family emergency.
- 19 out of every 20 "get the help and support they need from colleagues".
- 17 out of every 20 report that "my line manager encourages me at work".
- 16 out of every 20 "have a realistic choice in deciding how I do my work".
- 15 out of every 20 "can influence management decisions that have an important impact on my job".
- 14 out of every 20 report that their job is "good for my mental and emotional wellbeing".
- 14 out of every 20 are "satisfied with the balance between time I spend on my paid work and the time I spend on other aspects of my life".
- 13 out of every 20 "feel secure in my current job".

What this means is that ***the jobs in the third sector in Glasgow are seen by employees as having many of the features of 'good jobs'***; characterised by flexibility, teamwork, support, a strong sense of both autonomy and influence, and a relatively high level of security – and this is reflected in staff commitment.

A majority still felt that overall their pay and conditions adequately reflected the effort they put in at work. However, we found some evidence that work place benefits and pay were deteriorating and the danger is that the already significant minority who felt that their pay and conditions did not reflect their effort will increase.

We found many examples of people dedicated to working in the third sector who have spent much of their working life in the sector and/or intend to spend many more in the sector. Most third sector employees have worked for over 10 years in the sector.

When we looked at work place benefits – which we expect to have become less generous as a result of the often-reported budget tightening – ***a majority still felt that, overall, their pay and conditions adequately reflected the effort they put in at work.*** We found that annual leave is well above the minimum requirement (average 36 days per year, with 1 out of every 5 having over 40 days compared with a 28 day minimum requirement). Workplace flexibilities such as flexitime and job shares are prevalent.



We found 4 out of every 5 are on full time permanent contracts, although this job security is much less prevalent in the very small third sector organisations and often “permanent” jobs are tied to time-limited project funding.

We found some evidence that work place benefits and pay are getting worse, and there is a danger that the already significant minority shown to be feeling under-rewarded will grow.

We noted that out of a small sample of twelve workers with serious health conditions who were still working, seven were without access to occupational health support (or may have just been unaware of it).

Conclusions

We have identified a number of ways in which the impact on third sector staff can be reduced.

Assessing the short and medium term impact of decisions on workforce

- Public sector funders of the services described in our report are under considerable financial pressure. Some of our findings suggest that the way these work through into third sector support may be storing up larger and more costly problems. It would therefore be valuable for public sector funders to consider in detail the impact on the third sector workforce and beneficiaries when taking decisions about reduced funding for services to be delivered by the third sector, including cost benefit analysis based on longitudinal research. A pilot into exploring in detail the likely medium term impact of decisions would be valuable in establishing the value of such an approach.

Co-designing new approaches to competitive tendering

- Current financial constraints are leading to increased competition between third sector providers. In some cases, this may increase the workload associated with bidding for funds or contracts; in others, it may drive down prices to levels at which it is increasingly hard to deliver. There is merit in competition, but public agencies should be making and recording decisions about an appropriate degree of competition (especially where price may be driven down to levels at which it is difficult to deliver effectively) and designing competitions accordingly rather than allowing a “race to the bottom”.
- Responsibility for this ultimately lies with the public agencies, but representatives of the third sector could do more to define and disseminate the sorts of funding relationships that would genuinely result in the greatest mutual benefit to both public sector budgets and the third sector.
- There may also be an opportunity for some third sector organisations to consider alternative sources of income which could involve other grant sources or income generated by social enterprises. We identified examples where financial constraints are driving more collaborative arrangements in order to reduce overheads, and others where the solution has been to merge to create a larger



more financially robust organisation. It is likely that sustained financial pressure will lead to a smaller number of larger organisations in order to reduce overheads and maintain competitive pricing.

Extending the Living Wage

- Public bodies requiring funded third sector organisations to pay the Living Wage to all staff is one of many options for supporting workers in poverty. There is already an opt-in scheme. The Glasgow Living Wage has 130 employers signed up to pay a minimum £7.65 to all staff⁵. Although our research does not provide a basis for a detailed recommendation on the Living Wage the data we provide can be used as a benchmark against which to measure the change in Living Wage adoption over time.
- The work we did found that worker stress was related to demoralisation rather than low pay and, in our small sample, 8% were living in households in poverty which is below the 15% UK average.
- These workers in households in poverty were not all in small organisations, nor were they all sessional workers in large organisations. Some were temporary staff, others permanent, some full time. Almost all work for employers that were paying the Living Wage. We spoke to only a very few organisations that were not paying a Living Wage: of these most would be able to but either chose not to due to limited available funds or had not yet put this in place.
- We did find people for whom more pay might be important, but many organisations are struggling to cope precisely because of existing funding pressures, which we found can themselves impact negatively on the workforce in terms of stress and overwork.

Childcare and occupational health

- Childcare is vital for the work life balance of many workers. Not all workers have access to childcare vouchers, particularly in small organisations. While this is not the only way to support workers with children, and not all workers need subsidised childcare, all Glasgow's third sector organisations should have considered options for supporting their workers in this way and all should ensure that there is full awareness among relevant staff. Where cost is an insurmountable issue organisations might collaborate with other organisations, funders, commissioners, or policy makers to address this as a means of benefitting workers in need and improving organisational sustainability.

⁵ Matthew Dutton, Robert Raeside, Tiffany Mazza, Tao Chen (2014) Evaluating the economic impact of the Glasgow living wage, Napier University Employment Research Institute

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- We identified some gaps in provision of childcare support and occupational health for those with serious health conditions. Some care needs to be taken in interpreting the evidence around child care as our sample did identify an ageing workforce and may understate this as an issue. Policy makers in the public sector should look at ways to help the sector provide better support. Work could be done to explore options in terms of support to organisations, funding and/or requiring organisations to have policies in such matters as part of an initiative to improve workforce resilience.
 - We noted that out of a small sample of twelve workers with serious health conditions who were still working, seven were without access to occupational health support (or possibly just unaware of it). While this is not the only way to support workers with serious health conditions, and not all workers with serious health conditions need occupational health support, all Glasgow's third sector organisations should have considered options for supporting their workers this way and all should ensure that there is full awareness among relevant staff. Where cost is an insurmountable issue organisations might collaborate with other organisations, funders, commissioners, or policy makers to address this as a means of benefitting workers in need and improving organisational sustainability.

Consider workforce motivation as an asset

- A motivated workforce is an asset that may be enabling the sector to navigate the current environment of financial constraints combined with increasing demand. But this asset cannot be taken for granted by organisations. Different workers will have different 'tipping points' related to stress, overwork and the benefits they get in return (the 'good job' features of flexibility, autonomy, pay, pensions, leave etc.). As many organisations already will, all third sector organisations should consider their potential to have a positive impact on their staff. More organisations should consider reporting on this to their funders or commissioners as part of their social impact.

Summary

We identified a third sector workforce facing considerable stresses, brought about by a combination of reduced funding and increased demand for services. The scale of the sector in Glasgow makes it a hugely significant part of the support for those with a wide range of needs.

Many in the workforce are maintaining their significant motivation despite these pressures, and the jobs provide many of them with terms and conditions they consider fair and many of the features of 'good jobs' in terms of flexibility, autonomy and purpose.

However, we identified a number of organisations and individuals for whom the scale of the pressures was reaching – or had already reached – a 'tipping point', and there are indications that, if the financial and demand trends are sustained, more individuals and organisations may reach this point. This finds expression in demoralisation, illness and absence which in turn affects both the quality and quantity of support provided and the viability of organisations, particularly the smaller and less financially robust organisations.



It is important that funders are aware of these trends and that funders and the third sector work closely together both to maintain a close oversight of these trends and their impact and costs, but also to develop effective ways forward which can sustain the vital role played by the third sector in supporting the most vulnerable citizens in the city.



1. Introduction

A number of changes in the third sector have been reported in recent years. A recent GCPH report investigating the impact of work on population health identified that labour market changes across Scotland are often characterised by increasing rates of in-work poverty, underemployment, part-time and temporary work⁶.

Against the backdrop of these changes and economic austerity, the voluntary sector workforce in Scotland (estimated to be 138,000 full-time equivalents) is seen at a national level to be responding to constrained budgets by reducing staff costs and hours and undertaking redundancies and mergers⁷.

Significant parts of the sector nationally are also aligning their activities to meet the increase in service demand because of the UK Government's welfare reforms. Moreover, an increasing focus on personalisation within social care has been linked to voluntary sector concerns that include greater workforce insecurity, calls for greater flexibility in working time, and pressure on pay and other benefits⁸.

These changing and increasing demands are likely to be more distinct among the voluntary sector staff working in Glasgow city, where more than 7 out of every 10 organisations in the city are reportedly working with groups such as low-income households, drug users, disabled people, people with mental health problems and learning difficulties, and older people⁹.

Any change to the nature of the sector would be expected to result in changes in the nature of *work* in the third sector - this means it impacts on the day-to-day lives of workers, changing the sort of workers recruited, the degree of support and stress they experience, and the level of their pay and work-place benefits.

This report seeks to understand more about the nature of work in the sector in Glasgow, and how and why it has been changing. It is a snapshot in 2014 reflecting the views of workers and their reflection on changes they have experienced in the last two years. It sets some baseline statistics about demography and work-place benefits in the sector which future work can track.

⁶ Harkins, C. and Egan, J. (2013) The rise of in-work poverty and the changing nature of poverty and work in Scotland – what are the implications for population health and wellbeing. Available at: http://www.gcph.co.uk/publications/456_the_rise_of_in-work_poverty

⁷ <http://www.scvo.org.uk/wp-content/uploads/2012/11/SCVO-State-of-the-Sector-2012-FINAL-1515.pdf>

⁸ Cunningham, I. and Nickson, D. (2013) "Public sector austerity, personalisation and the implications for the voluntary sector workforce" University of Strathclyde/P and P

⁹ Glasgow Council for the Voluntary Sector: <http://www.gcvcs.org.uk/about/voluntary>



Background information about changes in the sector

The third sector has probably always been in a state of change as it responds to new ways of working, new policies, and the changing needs of the populations it serves.

In recent years there have been a number of well reported trends that have led to some shifts in the nature of the UK's third sector as a whole:

- A trend towards enterprise as a means of generating money for social impact¹⁰.
- A trend in increasing diversity of third sector organisations: a local agricultural workers' cooperative is very different to the Royal Opera House and also to a volunteer church group, yet all three are classed by most as "third sector". Increases or decreases in the growth of subsets of the sector such as housing associations and a wide range of public sector spinouts could have profound implications for the description of the overall sector. Definitional changes to, say, include universities as social enterprises (thus also being classed as third sector), have similarly wide effects in describing the nature of the sector¹¹. In Glasgow, for example, including Glasgow Life (i.e. Culture and Sport Glasgow Community Industry Company) would still include a large number of former public sector employees who had transferred across from Glasgow City Council employment and maintained their rights and funds which would traditionally have counted as statutory spend rather than third sector spend.
- A trend towards dependence on grants from trusts and individuals after a period in which statutory body grants had been of increasing value¹². The Big Lottery Fund, a new funder only a decade ago, now has a significant and growing role as a source of funding, and the decisions they make about eligibility affect tens of thousands of organisations nationwide.
- Trends in the overall growth of the sector. The value of the third sector has "doubled in a decade" according to the Scottish Council for Voluntary Organisations (SCVO) and they estimate that the sector now employs 138,000 full-time equivalents across Scotland.
- Trends in third sector demands resulting from the impact of the 2008 recession on Glasgow's unemployment problems. Overall, numbers of Glasgow adults in employment have now recovered to 270,000 individuals living in Glasgow employed¹³, but as a percentage of the Glasgow population this is still below the 2008 peak¹⁴. The current rate of employment in Glasgow among those aged 30-49¹⁵ is the highest in a decade¹⁶. The rate for Glasgow has been below the Scottish and UK average throughout the period since 2008.

¹⁰ <http://data.ncvo.org.uk/a/almanac14/what-are-the-sectors-different-sources-and-types-of-income-3/>

¹¹ <http://thirdforcenews.org.uk/families-and-young-people/news/social-enterprises-worth-2bn-more-than-whole-third-sector>

¹² <http://data.ncvo.org.uk/a/almanac14/what-are-the-sectors-different-sources-and-types-of-income-3/>

¹³ Annual Population Survey 2008-2013 from NOMIS.

¹⁴ http://www.understandingglasgow.com/indicators/economic_participation/trends/trends_for_scottish_cities

¹⁵ This statistic describes the labour market for a "typical worker" without being lost in long term trends for higher education and older workers

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- A trend towards greater commercialisation of the sector. One recent discussion paper informed by Trades Unions' officials and members suggests that some voluntary sector organisations are becoming "managerialist" and "hierarchical" with cuts for pay and employment of frontline staff while rewarding senior managers¹⁷. This is seen as part of the third sector becoming more commercial and senior staff using their positions as a career 'stepping stone' rather than for social good.

In Glasgow, as nationally, there are known to have been a number of changes in the availability of statutory grants. Public sector budget cuts are thought to increase demand for third sector services and reduce availability of funding for third sector organisations. Examples demonstrating how demand has been increasing as a result of Welfare Reform and other pressures are seen in literature from the care sector¹⁸ and Criminal Justice sector¹⁹.

A note on our method

The detail of our method is set out in our technical report. Here we present the main points of our approach to help with appropriate interpretation of the results.

Data collection methods

We interviewed with 163 individuals in 71 organisations using a questionnaire developed by GCPH. This followed a pilot phase when different ways of completing the questionnaire were tested (e.g. on line, face to face, telephone). Participants were entered into a prize draw as an incentive to take part.

The sample methods included using the Infobase database held by GCVS as the starting point. The analysis is representative of the Infobase database, which it is assumed is representative of the sector in Glasgow.

In each case, a "lead contact" was contacted and interviewed plus up to 4 other staff who the key manager was able to secure for us to interview. We interviewed a wide range of staff including those "in the field" and based in offices. The sample, however, only included two sessional staff despite a prompt in the key manager discussion to specifically request access to sessional staff.

¹⁶ <http://www.rocketsciencelab.co.uk/rocket-science-labour-market-indicator-dashboard/>

¹⁷ <http://www.independentaction.net/wp-content/uploads/2014/11/Workplace-issues-final.pdf>

¹⁸ <http://www.iriss.org.uk/sites/default/files/180614-wr-report-v13-gw.pdf>

¹⁹ <http://www.clinks.org/file/clinks-state-sector-full-reportpdf>



There are a number of definitions for voluntary sector and third sector (or Third Sector) which can lead to considerable debate. Please note that throughout this document the terms voluntary sector and third sector are used interchangeably, in all cases reference is being made to a wide range of organisation self-defining as *either* voluntary sector or third sector. In effect our definition is simply “organisations appearing in the Infobase database except public or private agencies”. This means that sometimes organisations such as Housing Associations and social enterprises are indirectly referred to as “voluntary sector”; however, for brevity we have avoided being too prescriptive about such terms.

We knew that Infobase collected data on organisation size slightly differently to our intended definitions (for example, where Infobase classes a small project hosted in a very large charity as “small” we wished to class these as “large”). Care has been taken in drawing conclusion based on the size of organisations as a result of this known disparity.

All results should be interpreted with care because of the systematic but unavoidable error of selection by approaching one “key manager” as a contact point then requesting up to five “volunteers”. A more robust selection strategy would have required a random sample from among all the organisations employees; however, this was shown to be impractical in the pilot phase and the framework clearly set out the method using volunteers recruited by the key manager.

Analysis

Where data is marked as “unweighted”, it refers to the absolute number of respondents or a proportion of the actual number of respondents.

The overall sample was stratified and based on randomised samples from Infobase categories: Micro/Very Small (under ten staff), Small/Medium (10-99 staff), and Large (over 100 staff). We have therefore weighted the results from each of the categories (“strata”) based on the populations of employees in each category according to Infobase with the estimated total numbers of workers in each stratum being 809, 3688 and 6521 respectively.

The sample was also not random in that we always spoke to a ‘lead contact’ (who may have been a manager and was certainly a more senior member of staff), then to a number of other staff (between 0 and 5 other staff). Therefore, we needed to weight the responses according to whether the response was from a lead contact or not – without this weighting the fact that in some organisations we spoke only to a lead contact and no other staff would bias the sample towards individuals with more seniority. This was clearly mostly a problem in small/medium and large organisations where there was more apparent difference between lead contacts and other workers.



Therefore, for small/medium and large organisations it was assumed that 25% were lead contacts and 75% were not lead contacts. This was based on our original sampling intent – which we were on the whole able to carry out with most of the smaller organisations we engaged with. This is an assumption relevant to our sampling methodology rather than an estimate of the proportion of management in any one organisation. It indicates that for any small/medium or large organisation our methods would name one in four of the population as lead contact or key managers irrespective of that person’s true job title, role or responsibilities.

In total the following five (bold italic) strata were used in the sample:

Type of organisation	‘Lead contact’	Others	Total	Population and %
Very small			43	809/5.3%
Small/medium	31	58	89	3,688/2.4%
Large	8	23	31	6,521/0.5%

Aims and structure of this report

This research sought to explore whether there have been changes in the nature of the voluntary sector and understand some of the impact this has on employees working lives. The three overall aims were:

- To increase our understanding of key labour market changes, including employment conditions, work-life balance, changing work histories, household income, and the impact of these changes on Glasgow’s voluntary sector workforce.
- To identify organisational changes within the voluntary sector (such as demands for services, resource availability and design or quality of services) and how the workforce is responding to these changes within the current economic climate.
- To explore the interaction between health, work and life within the voluntary sector, with reference to individual control, change, security and available occupational support.

A Technical Report accompanies this Final Report. In it we set out our full method and full results including graphs, tables and full qualitative analysis.

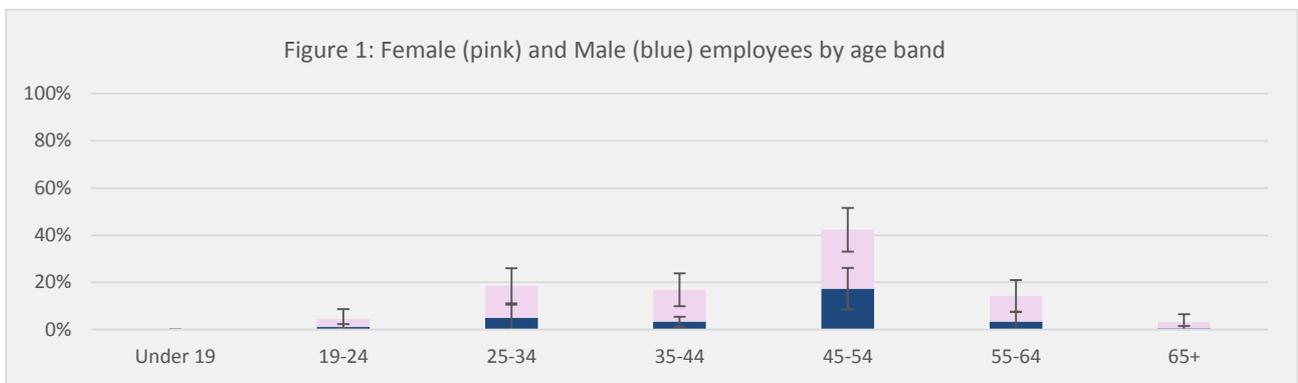
The rest of this document is presented as follows:

- Chapter 2: Findings - Who is employed in Glasgow’s third sector?
- Chapter 3: Findings - Changes in the third sector
- Chapter 4: Findings - Experiences of working in a changing third sector
- Chapter 5: Findings - Workplace benefits and pay
- Chapter 6: Findings - Employee health and wellbeing
- Chapter 7: Conclusions.

2. Findings: Who is employed in Glasgow's third sector?

In order to understand the implications of the findings of this report, it is important to understand the profile of the third sector workforce in Glasgow. Since there are few data sources on this we have undertaken primary and secondary research to create a snapshot of the current workforce demographics. This found that the third sector workforce demographics in Glasgow are not typical of employment in Glasgow in several respects²⁰; a summary of these findings are presented in this chapter.

The Figure 1 below shows that women make up 7 out of every 10 workers²¹. One quarter of the workers in Glasgow's Third Sector are women aged between 45 and 54 years old. By comparison just over half of employees across all sectors in Strathclyde are women and only 1 in every 9 are women aged between 45 and 54 years old²².



We found that 99.5% of the workforce are white. This is broadly similar to the Quarterly Labour Force Survey result for Strathclyde (Q1 2014), which showed that 96.6% of employees in "charities, voluntary organisations and others" are white²³.

More than half have worked in the third sector for over ten years and 1 out of every 6 had worked in their current role for more than ten years.

The proportion of those in employment nationwide who are graduates has been increasing steadily during the economic downturn, from 25.1% in 2008 to 31.6% in 2013²⁴. We found that Glasgow's third sector workers are even more highly skilled, with almost half being graduates and many more having professional qualifications. We found almost no workers with qualification below SVQ Level 4 (Higher National Certificate or equivalent).

²⁰ Data in this section is all from this research unless otherwise specified.

²¹ Similar to the 74% figure from the Quarterly Labour Force Survey result for Strathclyde (Q1 2014) for workers in "charities, voluntary organisations and others" in Strathclyde.

²² Quarterly Labour Force Survey result for Strathclyde (Q1 2014)

²³

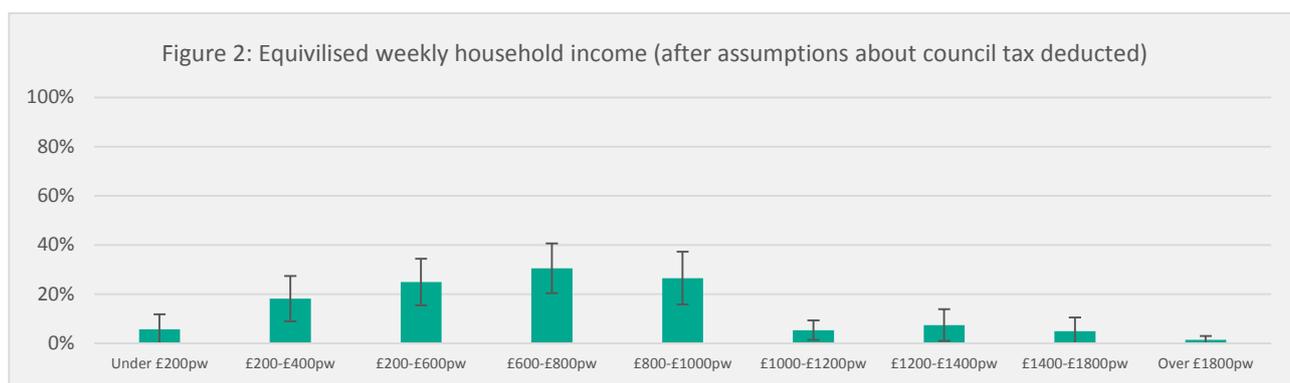
<http://nesstar.ukdataservice.ac.uk/webview/index.jsp?v=2andmode=documentationandsubmode=abstractandstudy=http://nesstar.ukdataservice.ac.uk:80/obj/fStudy/7501andtop=yes>

²⁴ <http://www.scotland.gov.uk/publications/2013/05/6728/2>



We found that workers were active in a number of diverse fields including care, heritage, arts and learning. However, we have not included a breakdown of these results because of concerns that interviewees made different interpretations of the question asked of them, thus rendering the results potentially misleading²⁵. It is important to note that by covering all parts of the third sector workforce in Glasgow we include some organisations which are unaffected by welfare reform and benefit reduction. However, nearly all appear to be operating in fields which are affected by budget cuts.

We found that workers represented a spread of households in terms of income (“equivalised” so comparable as if all households are of one couple without children) as seen in Figure 2²⁶.



Thirteen out of 163 interviewees (8%) we spoke to were living “in households in poverty” (i.e. below £263pw, 60% of the national median according to an Institute for Fiscal Studies 2012 analysis). This is around half the national rate amongst working age people (e.g. the “Households Below Average Income” (HBAI) report 2013 based on the Family Resources Survey indicates 15% in relative poverty before housing costs). Those whom we found to be in households in poverty included the following types of worker, showing a breadth not limited to part-time workers or sessional staff, and with a variety of types of employer²⁷:

- Part-Time - Permanent Employee, Aged 19-24. Employer: £2M - £5M Turnover and 60 Paid Staff
- Faith Group Leader, Aged 65+.
- Part-Time Temporary Development Worker, Aged 55-64
- Part-Time Temporary Administrative Assistant, Aged 45-54. Employer: £10M - £20M Turnover
- Sessional Worker, Aged 35-44. Employer: £200K - £500K Turnover and 3 Paid Staff
- Full-Time Permanent IT Administrator, Aged 45-54. Employer: 100 Paid Staff

²⁵ For example, some interviewees ticked all fields suggesting they were a specialist organisation at everything

²⁶ We need to qualify these findings because our methods risked ‘under-sampling’ sessional workers, particularly those working “in the field”, such as care workers. We specifically asked to speak to sessional workers in the script when setting up interviews. We asked workers whether they were “sessional staff” so we allowed workers to self-define. However, broadly speaking sessional staff are those without employment contracts placing a shared requirement on employer and employee to find and deliver work for a fixed number of hours per week. Sessional workers tend to have fewer employment rights than “employees”; they are paid on an hourly basis as needed by the employer.

²⁷ Only one of these was in an organisation which said it was not paying living wage to all employees.

- 
- Part-Time Permanent Childcare Practitioner, Aged 35-44. Employer: £100K - £200K Turnover and 1 Paid Staff
 - Full-Time Permanent Support Development Manager, Aged 45-54. Employer: £2M - £5M Turnover and 40 Paid Staff
 - Part-Time Permanent Support Manager, Aged 45-54. Employer: £200K - £500K Turnover and 1 Paid Staff
 - Full-Time Permanent Fundraiser, Aged 19-24. Employer: £200K - £500K Turnover and 6 Paid Staff
 - Employee, Aged 35-44. Employer: £200K - £500K Turnover and 3 Paid Staff
 - Full-Time Permanent Housing Manager, Aged 25-34. Employer: £500K - £1M Turnover and 8 Paid Staff
 - Full-Time Temporary Project Worker, Aged 35-44. Employer: £100K - £200K Turnover and 2 Paid Staff.



3. Findings: Changes in Glasgow's third sector

The focus of our research was on the impact of changes in the third sector on workers' day-to-day lives. To understand this and to add to the background research on the sort of changes that have been happening in the sector, we explored the nature of these changes with all the 71 managers we interviewed. Specifically, we asked their views on what had changed in their organisation or in the sector in the last year.

It is clear from their responses that even in the last year there has been considerable change in a number of areas for a wide range of Glasgow's third sector organisations.

Interviewees were asked whether they felt that there had been an increase, decrease or no change in the following areas which had been identified as areas likely to have experienced changes:

- Demand for their organisation's services
- Competition for resources from other organisations
- Collaboration or merger with other organisations, through necessity or choice
- Tightening expenditure constraints
- Restructure or redesign within their organisation, either through necessity or choice
- Changes in the quality of services provided to people they work with, either through necessity or choice.

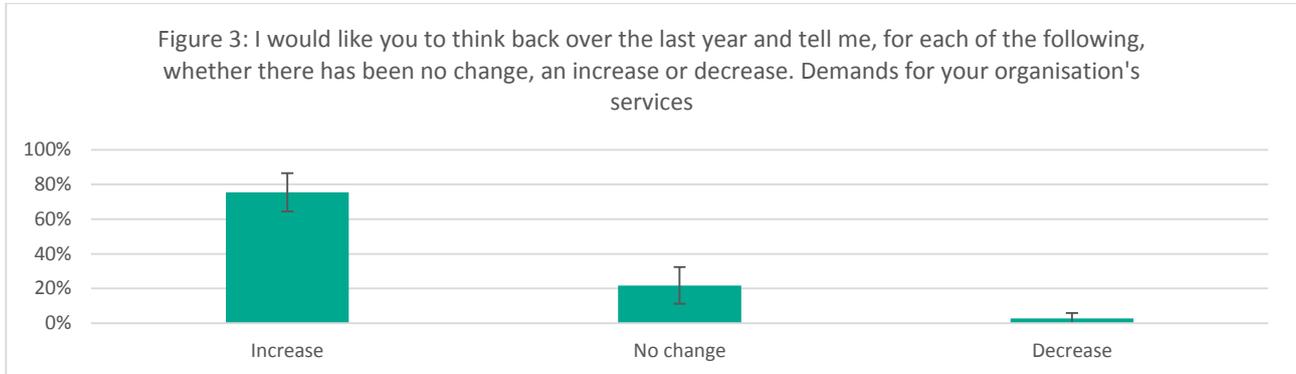
The most frequently reported of these was "increasing demand for services", followed by "increased competition for funding", "increased restructuring" and "tightening expenditure constraints".

Despite this, nearly all respondents thought that there had been no change or an increase to the quality of service they provided. Within the scope for this research we were not able to determine whether these perceptions of maintaining quality are accurate or reflect managers' hopes or shifting perspective on what constitutes a quality service.

Below, we focus on the comments provided by those who felt that there had been a change in the last year, whether an increase or decrease.

Demand for services

We found that 3 out of every 4 managers reported an increase in demand; this was approximately the same for very small, small/medium and large organisations (Figure 3).



Some people who reported an increased demand for services described this as being due to external factors, particularly increased poverty and issues related to Welfare Reform, while others focused on changes in the nature of the demand, rather than a simple increase in the same type of demand.

A considerable proportion of respondents focused on increased demand from external factors. Of these, a significant number of respondents focused on poverty, debt and welfare issues as being key drivers. Some of these changes were related to **changes to benefits**, and this was clearly being felt by organisations in a range of sectors:

"Tied to welfare reform and the fact that the economy is bad so tenants are struggling. New initiatives are required. Welfare Reform is the biggie."

Director, aged 45-54. Employer: £1m - £2m turnover and 15 paid staff

"Welfare Reform impacts and young people enrolling in school with disabilities."

Projects Manager, aged 55-64. Employer: £500k - £1m turnover and 10 paid staff

"Benefit cuts have led to more demand for employability services. More awareness around mental health plus partnerships with GPs, NHS has led to more work in the area of mental health."

Director, aged 35-44. Employer: £100k - £200k turnover and 2 paid staff



Other respondents cited increased **poverty, destitution and debt problems** as driving demand on their services:

"The financial climate means that more people are calling specifically with debt problems."

Employee, aged 45-54. Employer: £50k - £100k turnover

As well as Welfare Reform, other respondents mentioned that increased demand had been driven by other changes to Government policies, such as the Children and Young People's Bill and Curriculum for Excellence.

Increased demand for the sector's services had been viewed by others as resulting from pressure being placed on other services, such as **cuts in the public sector** and stresses on Social Care organisations and their staff:

"Day service closures lead to increased demand for our services - people have to identify community based resources."

Employee, aged 45-54. Employer: £2m - £5m turnover and 60 paid staff

"We see a lot of employees from social care organisations - massive changes to social care budgets and legislation have had a downstream effect on their employees, driving more to seek our counselling."

Chief Executive, aged 55-64. Employer: £500k - £1m turnover and 6 paid staff

Some respondents focused on the increase in demand placed on their services by an ageing population, while others said that the expectations of partners had increased, with one respondent citing an increase in demands from the NHS.

Some respondents described changes to the nature of demand, and a notable change to the nature of demand was in the **increased use of online services**.

"[We] have moved to online referrals which has caused some problems as social workers don't have the time to fill in forms"

Welfare Co-ordinator, aged 55-64. Employer: £200k - £500k turnover and 1 paid staff

"Significant increase - about young people choosing how they use our services - young people engaging with online services strongly. In the last two years we've engaged in social media – it has driven demand to all of our services."

Services Manager, aged 35-44. Employer: £2m - £5m turnover and 17 paid staff



A large number of respondents viewed increased demands for their services as a positive reflection of their service delivery, as the increase demands **reflected increased awareness or appreciation** of the organisation's work:

"[Increased demand is due to] increasing recognition that our projects are good at bringing people from different groups together, and good for mental health. There is research showing that our work works on multiple levels."

Employee, aged 35-44. Employer: £200k - £500k turnover and 3 paid staff

"Good value for money and word of mouth recommendations- the service now attracts visitors from a much wider area"

Project Manager, aged 45-54. Employer: £200k - £500k turnover and 1 paid staff

"The more work we do the more we're known."

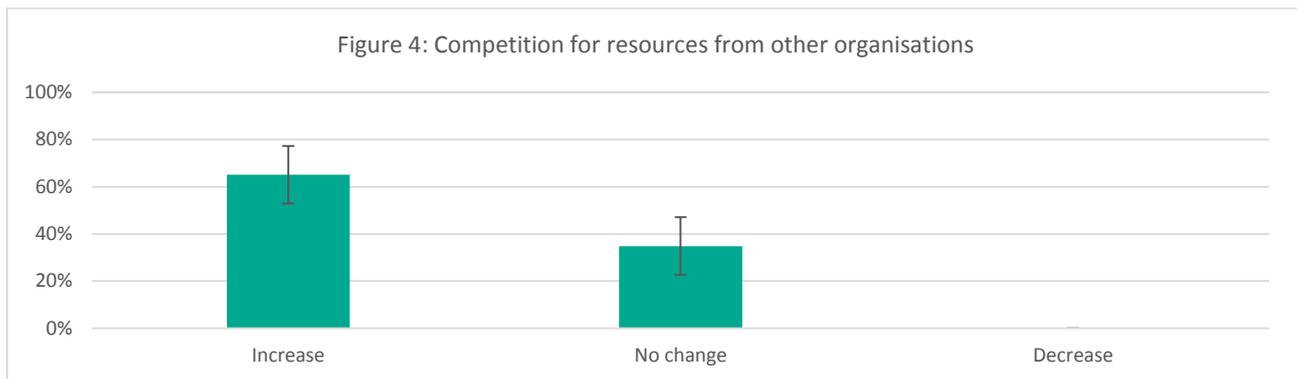
Employee, aged 55-64. Employer: £100k - £200k turnover and 2 paid staff

"We are well run and well-structured with experienced youth workers and we don't charge"

Project Co-ordinator, aged 55-64. Employer: £100k - £200k turnover and 2 paid staff

Competition for resources

We found that 2 out of every 3 reported an increase in competition; this was approximately the same for very small, small/medium and large organisations (Figure 4).





It was clear that some respondents viewed increased competition for resources being due primarily to an **overall reduction in funding**:

"The funding environment is a lot tougher than it has been in the past. We were successful this year but not last year."
Coordinator, aged 45-54

"[Our] competition is not growing; the resources are shrinking."
HR Adviser, aged 25-34. Employer: 100 paid staff

Other respondents felt that the increased competition was due to a **growing number of competitors**, through either new organisations being created or moving into this geographical market, or locally based organisations changing their focus. Some clearly found this frustrating, with others more accepting that this was the new norm:

"Used to work well together with organisations – it has become competitive all of a sudden as everyone wants 'a piece of the pie'. It's just greed."
Peer Support Manager, aged 45-54. Employer: £200k - £500k turnover and 1 paid staff

"That's a constant for us - we're in a competitive market place with other third sector organisations that are multiplying all the time."
Services Manager, aged 45-54. Employer: £2m - £5m turnover

Some seemed to feel frustrated that other organisations were offering different versions or models of their service:

"[A new competitor has] moved in the last couple of weeks - similar type of work. Their model is [based] on volunteers - more light touch - we're more intensive support. But sometimes a Social Worker will just look at a list of organisations and not think about the referral organisation too much."
Service Coordinator, aged 45-54. Employer: £200k - £500k turnover and 11 paid staff

"We were a specialist service, but now a lot of other services offer mediation on the side. It's not regulated / accredited so anybody can now set themselves up but not registered."
Practice Manager, aged 55-64. Employer: £200k - £500k turnover



Another perspective showed that some viewed ***new entrants in the market as a good thing***:

"Other organisations are moving in on our territory- which is a good thing if it means the work is done."
Employee, aged 35-44. Employer: £500k - £1m turnover and 10 paid staff

"Most similar organisations are smaller than us, and we help most of them to get funding anyway, via development training and support. We're working to put ourselves out of a job- but that's what community development should be. "
Employee, aged 35-44. Employer: £200k - £500k turnover and 3 paid staff

Other respondents focused on increased ***tensions between public sector and third sector***:

"The 'tender culture' is causing division within the voluntary sector, and the public sector are going unnecessarily down the tender route. It's causing tensions and frictions."
Project Manager, aged 45-54. Employer: £200k - £500k turnover and 2 paid staff

A small minority of respondents focused on ***competition for non-financial resources***, including volunteers and physical resources, such as community halls:

"We have, probably for first time ever in the past year, struggled to attract the numbers and quality of volunteers. We have quite a long recruitment and training process, so others will get there first."
Services Manager, aged 35-44. Employer: £2m - £5m turnover and 17 paid staff

"Providers are all trying to use the community more- this can close things down. [We are] competing for resources like church halls. "
Employee, aged 45-54. Employer: £2m - £5m turnover and 60 paid staff

Overall, both positive and negative aspects of competition are being reported. But it is clear that public agencies are increasingly seeking to outsource services to a sector they hope can deliver services more cheaply. These agencies are using outsourcing and grant funding approaches that require third sector organisations to work ever harder, competing rather than collaborating with one another in many cases, to win work with ever lower funding levels. In short, there is evidence that there is a 'race to the bottom' in terms of unit price and delivery models.

One respondent articulated the balance required to be a “good employer” yet be able to be competitive in winning work:

“Competing for tenders - it's easy to undercut us because we're a very good employer”
Chief Executive, aged 55-64. Employer: £500k - £1m turnover and 6 paid staff

Increased restructure / redesign

We found that 2 out of every 3 organisations reported an increase in restructuring. This ratio was approximately the same for very small, small/medium and large organisations (Figure 5).



Respondents highlighted any types of restructure or redesign they had been through, and these were varied, but a significant number focused on management restructuring (including both new management posts and the removal of management posts).

No respondent said there had been a decrease in the level of restructuring.

A significant number of respondents highlighted increased restructuring through changes to staffing, with the majority focusing on changes to the management structures, which resulted in downsizing and redundancies for some organisations but new posts for others.

A number of other respondents focused not on changes to personnel and staffing, but on restructuring to improve ways of working. One respondent highlighted that an independent consultant helped them work “*slicker*”, another mentioned the adoption of “*new ways of working*”. For one respondent, this restructuring was necessary due to an increased complexity of needs of their clients:

“Increasingly complex needs have led to review of functions, re-evaluation of assessment, risk assessments, staff training; repositioning to ensure safe support for service users”
Regional Manager, aged 55-64. Employer: £20m - £50m turnover and 100 paid staff

Some respondents chose to emphasise explicitly the necessity of their restructuring, with funding cuts driving money saving measures “through job cuts and cut services”.

Collaboration and mergers

We found that 2 out of every 5 reported an increase in collaboration/mergers. This was approximately the same for very small, small/medium and large organisations (Figure 6).



Those who said that there was increased collaboration had different views on its consequences, with some very positive about this as a new way of working and others viewing collaboration as a necessity to attract funding. In some cases, increased collaborative working was perceived negatively. Those reporting a decrease in collaboration were in the minority.

A significant number of respondents focused on collaboration through necessity or pragmatism. Some pointed out that there was an expectation from funders for funded organisations to collaborate. Others viewed collaboration as a pragmatic step for economic reasons:

"Slight increase in partnership working for economic reasons- making funding go further- all applying for the same pot and then splitting it."

Housing Services Officer, aged 35-44. Employer: £1m - £2m turnover and 20 paid staff

"There is a need to collaborate due to limited resources and big ambitions."

Executive Director, aged 45-54. Employer: £2m - £5m turnover and 35 paid staff

Another respondent said that their approach to collaboration was a way of "*managing the competition*".

It is interesting to note that collaboration was not always viewed favourably by third sector managers, with **a mix of positive and negative views of collaboration**:

"We are part of childcare forums - it was positive at the start, now it's just a compulsory thing- it's just repetition. We've nothing new to learn from each other."

Service Manager, aged 45-54. Employer: £100k - £200k turnover and 1 paid staff

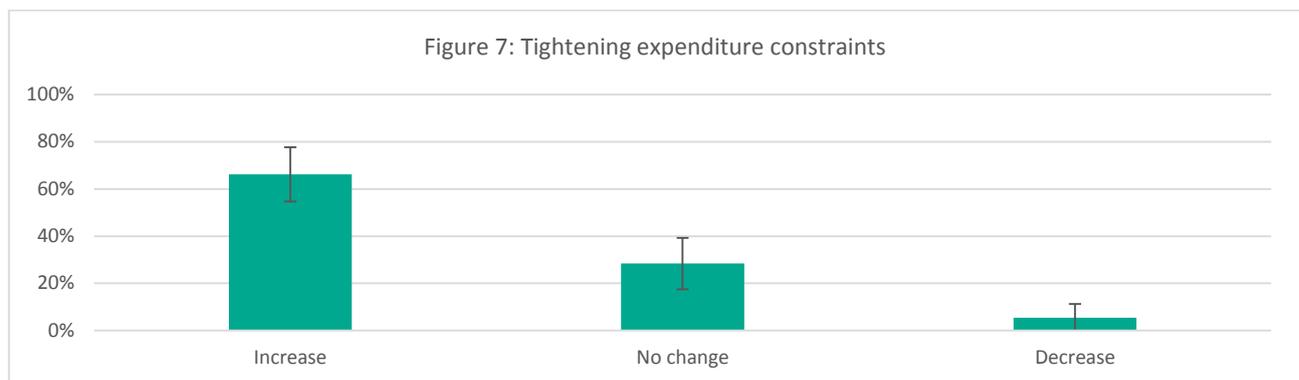
"Expectation that agencies work together to maximise resources. No problem with that, but it's becoming a bit of a buzz thing. It'll pass!"
Coordinator, aged 45-54. Employer: £50k - £100k turnover and 3 paid staff

"[There is] competition now instead of working together. It's hurting our business"
Network Coordinator, aged 45-54. Employer: £10k - £50k turnover

Other respondents who reported increases in collaborative activity saw collaboration as a very positive way of working, which for one respondent resulted in them *"actively seeking new collaborations"*.

Increased expenditure constraints

We found that 2 out of every 3 reported an increase in expenditure constraints. This was approximately the same for very small, small/medium and large organisations (Figure 7).



The few people who said that there had been a decrease in tightening expenditure constraints (i.e. increased expenditure) said that expenditure had gone up to meet demand, for new managerial posts associated with this new work, or for training for the board.

The reasons given for *increased* expenditure constraints were varied. It is clear that the major cause of expenditure reduction is public sector austerity budgets. This has led to removal of funding sources or squeezing of funding for existing services:

"We have had standstill funding from our main source for 10 years and a cut from GCC over 3 years."
Executive Director, aged 45-54. Employer: £2m - £5m turnover and 35 paid staff



Another theme which contrasted with the challenges of additional demand was the changes in people's access to services due to new policies (and changes in the associated income models), such as Self Directed Support²⁸ and the overall personalisation agenda. The impact of this agenda should not be underestimated in terms of changing the nature of funding for many organisations and consequently affecting their workforce through greater competition and focusing on a new "customer":

"We are going through a funding change - families assessed through Self Directed Support. That affects us in terms of a reduction of young people using the service. It's just happening now, and forecast to become more acute."

Unit Manager, aged 55-64. Employer: £500k - £1m turnover and 2 paid staff

Other cited reasons for increased expenditure constraints were the public sector culture of now expecting "*more for less*", increased competition for funding, and the expectation that funding will no longer be available for core costs, which was referred to by a number of respondents:

"There is reluctance to give funding to cover core costs."

Chief Executive, aged 65+. Employer: £500k - £1m turnover and 15 paid staff

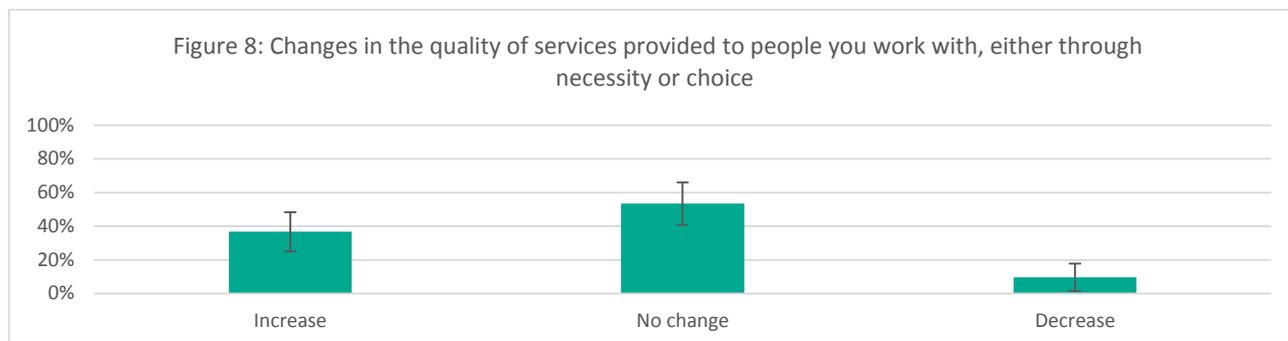
Some other respondents mentioned the effects that had been felt from tightening funding constraints, including the inability to provide the same level of service, the problem that "*everything takes a lot longer*", a necessary relocation, staff pay freezes and recruitment freezes.

Other respondents chose to focus on the way that they have managed the problems they have faced around tightening expenditure constraints. This included "*increasing grant applications to reduce reliance on fundraising*" and renegotiating contracts for taxis, utilities and office supplies. However, overall, ***the main strategy for cost saving was reducing the cost of staff, with shifts to the use of part time workers*** and to ensuring that the minimal staff resource is employed to meet demand.

²⁸ www.selfdirectedsupportscotland.org.uk

Increased/decreased quality

We found that 1 out of every 10 reported a decrease in the quality of services they provided. This was approximately the same for very small, small/medium and large organisations (Figure 8).



Few respondents said that quality had reduced. These said that there had been a reduction in "face to face support contact", a suspicion that "young people are waiting for a [volunteer to provide a service] longer than they were before, in some areas", and a compromised ability to deliver volunteering events and ongoing volunteer training.

The decrease in quality was sometimes directly linked to the lack of resources available:

"Decreased [quality] because we don't have the resources to do the work well."

Artistic Director, aged 45-54. Employer: £100k - £200k turnover and 2 paid staff

"Reduced budgets and fewer staff."

Office Manager, aged 45-54. Employer: 9 paid staff

Despite all of the challenges, managers were more likely to say that there had been no change or an increase to service quality. However, this may have been a reflection of managers' own views of how well they are managing the service. It could also reflect the fact that organisations needing to compete successfully for tenders can place more importance on the maintenance of quality than on the maintenance of staff working conditions. Some focused on the evidence of increased quality, such as improved care inspectorate grades – "Care Inspectorate Grades all went up in 2013".

Others described how quality had been improved, for example through improved staff and volunteer training, a new focus on operational development, or better monitoring and evaluation of their services.

"We monitor and evaluate continuously and make constant improvements."

Director, aged 55-64. Employer: £200k - £500k turnover and 3 paid staff

Others pointed out that extra funding had driven improved quality in certain areas, e.g. "funding for specific projects".



Summary

The most general response to our questions revealed a situation where demands on services are increasing and resources are shrinking. Restructuring and new ways of working – including more collaboration and partnership and some mergers - has helped diminish the impact of this on clients and most managers felt that the quality of their services had either remained unchanged or had improved.

There are clear anxieties about the increased competition in the tendering process – brought about both by organisations competing amongst each other for diminishing resources – and from new entrants to the market.

It is against this background that we need to interpret the experience of third sector staff as set out in the following chapter.



4. Findings: Experiences of working in a changing third sector

Participants were asked to comment on how they had found their job over the last 12 months. Given the open nature of the question, there was a wide range of responses, but some of the most common themes are described in this chapter. We discuss workplace benefits and health in the two subsequent chapters.

We start with some positive findings about overall job satisfaction, and go on to look at which of these are driven by the changes that have been happening in the workplace. We found that recent changes have been detrimental and threaten both staff wellbeing and the ability of the third sector workforce to deliver.

Overall day to day experience of the workforce

Overall, there is strong evidence of work satisfaction. Almost all those we interviewed (19 out of every 20) reported that they experience some job satisfaction each week and experience more job satisfaction than dissatisfaction. Further, many people working in the third sector state that they love their job, with job satisfaction, flexibility²⁹, variety, support³⁰ and autonomy³¹ cited as reasons.

"I really, really, really enjoy my work, it's absolutely brilliant. I love working with children and teachers, it's very satisfying."
Employee, aged 35-44. Employer: £200k - £500k turnover and 3 paid staff

Many of our interviewees described their jobs as **challenging but enjoyable**, with the challenge often related to the enjoyment:

"I've really enjoyed the last 12 months - I've taken on a senior role and have enjoyed the challenge. I think my work is great."
Senior Children's Worker, aged 35-44. Employer: £500k - £1m turnover and 2 paid staff

"It's a very difficult job - the context is extremely volatile. I love my job and the practice."
Mediator / Intake Worker / Supervisor, aged 35-44. Employer: £200k - £500k turnover

²⁹ Almost all interviewees reported that they would find it easy to take an hour or two off in a family emergency.

³⁰ 19 out of 20 "get the help and support they need from colleagues". 17 out of 20 report that "my line manager encourages me at work".

³¹ 15 out of 20 "can influence management decisions that have an important impact on my job". 16 out of 20 "have a realistic choice in deciding how I do my work".



Another very common theme when respondents described their job was **stress**, with some respondents clearly finding their job overwhelming and others describing their job as increasingly stressful. As shown in Figure 9, 5 out of every 8 reported that their job is often stressful.

"It is stressful - there are not enough staff in the office. There used to be more - never replaced when they were relocated and there's a drive for more for less."

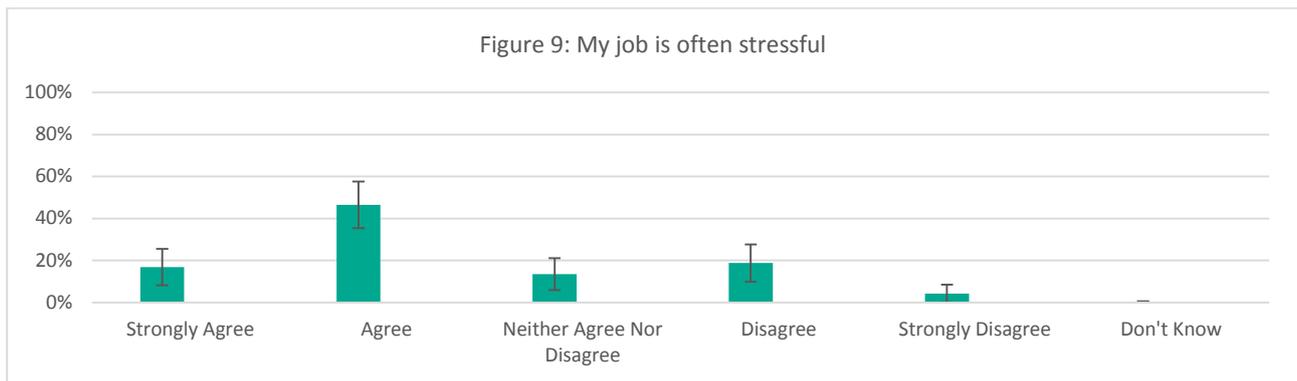
Housing Assistant, aged 25-34. Employer: £5m - £10m turnover and 21 paid staff

"It is very stressful, worrying, exhausting, never-ending fire fighting. It is difficult to plan forward - it's like being at war, constant stress. It's not always been as extreme as this."

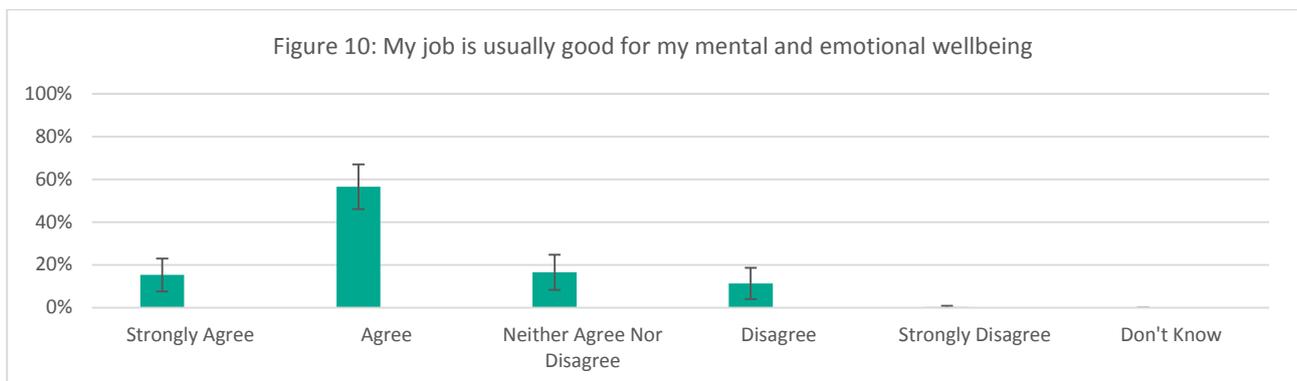
Chief Executive, aged 55-64. Employer: £5m - £10m turnover

"Very over-stretched, have worked until midnight, now just having to accept that everything can't be done / done on time."

Project Manager, aged 45-54. Employer: £200k - £500k turnover and 2 paid staff



This balance of work being stressful but rewarding was reflected in the overall view that "my job is usually good for my mental and emotional wellbeing" (Figure 10).





As seen in Figure 11, most respondents, in a range of job roles and types of organisation, did feel secure in their job; nevertheless, job security was a key issue for some respondents, with **issues around continued funding** a common theme:

“Raising my own salary is difficult, and makes it insecure, which is not ideal for supporting my children.”

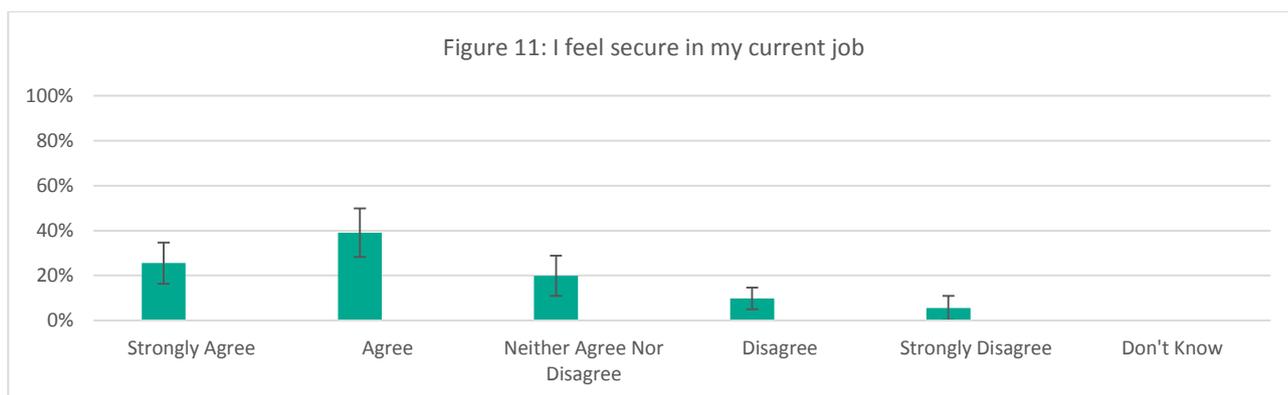
Ranger, aged 35-44. Employer: £200k - £500k turnover and 3 paid staff

“We're up for tender at the moment- if they don't win they'd try to move people to the winning organisation. I think they'd try their hardest to keep people on. I'm probably more at risk than most.”

Housing Support Worker, aged 35-44. Employer: £5m - £10m turnover

“There is uncertainty about the future of my job because of funding issues. My hours may be cut if funding gets cut - I wouldn't opt for this”.

Service Coordinator, aged 45-54. Employer: £200k - £500k turnover and 11 paid staff



We explored the degree to which employees reported being overworked. Figures 12, 13 and 14 overleaf show that around half would feel under pressure to work even if they were sick and just under half work in their spare time; overall though, most are satisfied with their work life balance (with those satisfied including all those who we classified as experiencing household poverty as indicated by the lighter green bar in Figure 14). Staff who are prepared to make these sacrifices bring to their work an ethos that encourages them to come in every day, work additional hours, and lose some personal time in pursuit of their personal commitment to their work.



Figure 12: I would feel I had to come into work even if I was sick

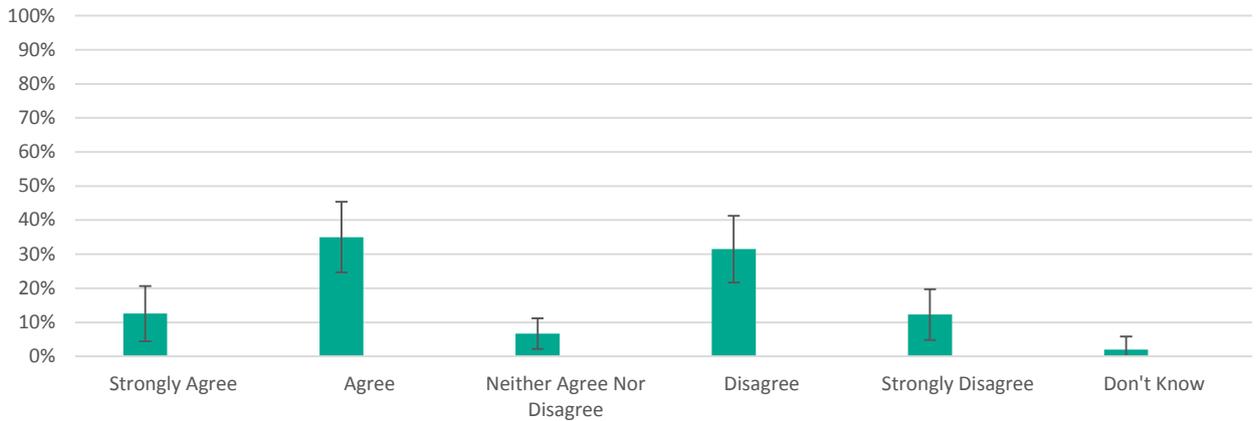


Figure 13: I often have to work in my free time to meet the demands of my job

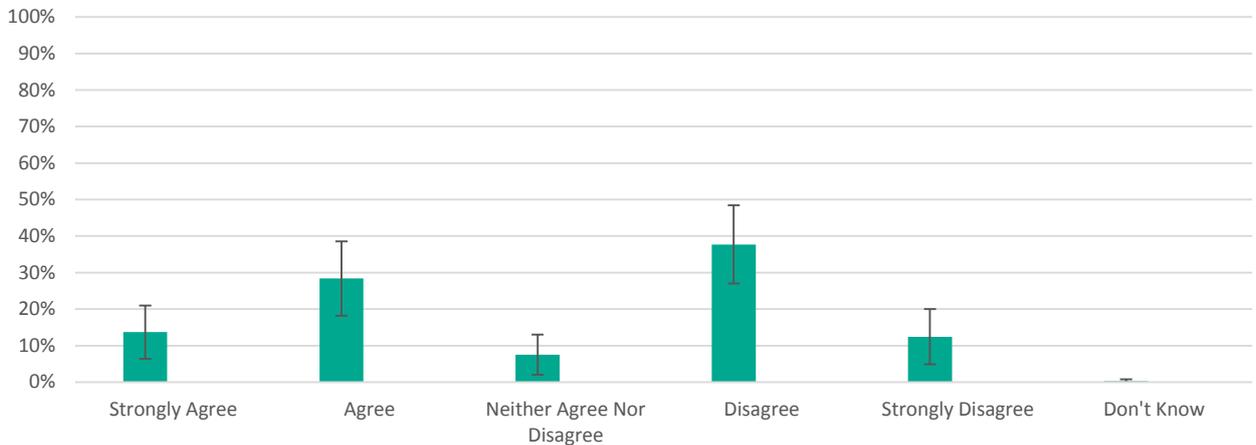
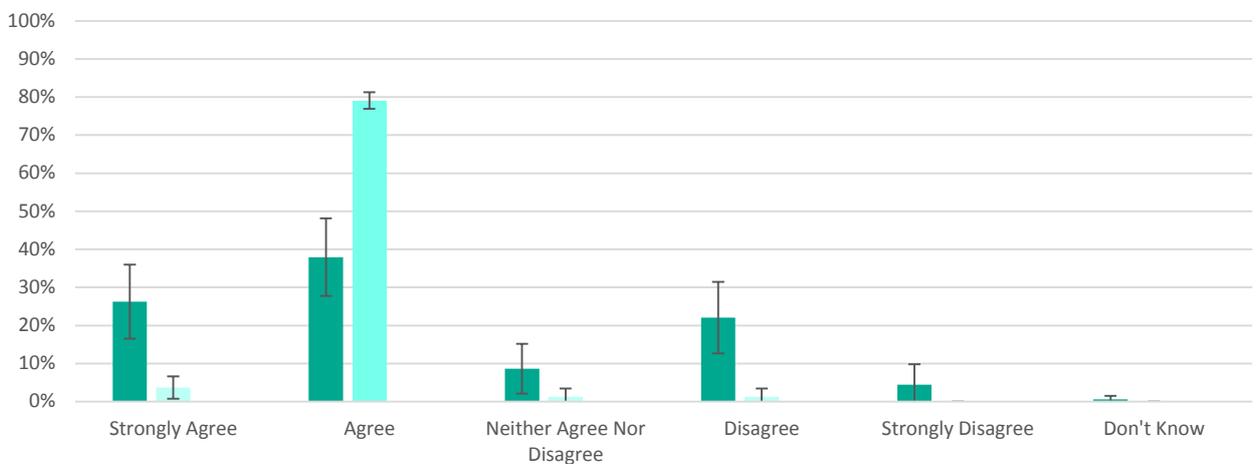


Figure 14: I am satisfied with the balance between the time I spend on my paid work and the time I spend on other aspects of my life (lighter bars represent those designated as living in households in poverty).





We asked about workers' views on external perceptions of their work to understand whether they felt valued overall. Several participants noted a perception that third sector employees are undervalued in many senses by the public sector as well as sometimes by the media and the broader public. A small number of respondents feel that regardless of their skills, qualifications and training the third sector workforce are viewed by outsiders as "worthy amateurs", relative to their peers within the public sector. There was some comment that this is felt to be reflected in the remuneration and benefits packages available within the third sector.

In the final opportunity to make any comments, managers provided a range of responses but many chose to comment on the good and bad things about working in the third sector, with diverse perspectives.

Some focused on the benefits of working in the third sector, such as a "different mind-set" to public sector and the ability to have a more productive relationship with Scottish Government than public sector bodies have. Others focused on the qualities of people working in the third sector, such as "loyalty, trust and a lot of care" and people being "generally more committed...to delivering a service". Another response highlighted that the reasons for working in the sector are not financial:

"People don't come to the sector for the money. It is an enjoyable job but challenging to get funding. [They] enjoy the job even though the financial reward may not be there."

HR Adviser, aged 25-34. Employer: and 100 paid staff

Other respondents focused on the downsides of working in the third sector. In contrast to the above statement, one issue was being paid less than people in other sectors:

"There's an awareness that Scottish government staff who enforce funding changes and evaluate applications can be earning twice as much as our staff. Also, we have people on secondment here who earn twice as much as our own staff in similar roles and that creates difficulties. Having said that we are fortunate compared to some other charities."

Director of Corporate Services, aged 45-54. Employer: £5m - £10m turnover and 52 paid staff

Another response focused on poor perceptions of the third sector:

"We are treated like poor relations. We are not viewed as professionals but expected to have professional qualifications."

Manager, aged 35-44. Employer: £100k - £200k turnover and 1 paid staff



Impact of recent changes

In order to evidence the link between changes in the nature of third sector to policy and budget changes we sought responses about how things had changed as a direct result of Welfare Reforms, Public Sector Budget cuts and Increased Demand for Services. When we asked all participants focused on what they perceived to be the individual or combined impacts of all three factors on the overall workforce of the third sector, the major themes related to a much more **demoralised and depleted workforce** that may not be retained in the longer term and, ultimately, increased **shortfall in service provision** as a direct result of these changes.

“Overwhelming stress - over the long period I have worked in the voluntary sector people working in it will commit themselves above and beyond working hours and would rather give more than let the organisation fold- but there comes a point where you can't do that.”
Office Manager, aged 55-64. Employer: £50k - £100k turnover

“There are more and more people wanting services and less money available. [Staff] will end up becoming demoralised and may move out of the third sector leading to less experienced people or unqualified new recruits. This in turn may lead to a lower level of service and a downward spiral.”
Head of Finance and Corporate Services, aged 45-54. Employer: £2m - £5m turnover and 114 paid staff

“People in the voluntary sector have always been aware that job security just doesn't come in the voluntary sector – it has always had an impact on staff turnover and morale. Over the past 3-4 years, I think the level of that has increased and it makes it very difficult to deliver services and develop services.”
Coordinator, aged 45-54. Employer: £50k - £100k turnover and 3 paid staff

This negative trend was echoed by another respondent who said that the voluntary sector is now *“more fragmented because of fire-fighting to survive. There is less 'coming together'.”*

Around 1 out of every 5 managers suggested that staff absence has been increasing; they related this to stress, anxiety and conflict in the organisation.

“A lot more sick leave than in the past, attributable to stress of unsettled working environment.”
Executive Director, aged 35-44. Employer: £200k - £500k turnover and 2 paid staff

“In the last 2 years [we've had] dreadful sickness problems, a lot about stress and anxiety.”
Chief Executive, aged 55-64. Employer: £5m - £10m turnover



"Significant absence this past year - that's reflected the level of conflict in this office."

Services Manager, aged 35-44. Employer: £2m - £5m turnover and 17 paid staff

A further respondent on behalf of three staff highlighted that, although there had been no change in overall absence, there had been more absence due to stress reasons.

Conversely, there was also evidence that staff morale was, on average, improving (although with most unchanged and some managers reported decreases in staff morale). A wide range of responses were given in terms of staff morale, with many (but much fewer than half) describing increases in staff morale in the last two years. This may represent the managers' reflections on their own ability to instil good staff morale, as indicated by one respondent who said that there had been a big increase, with the caveat *"but I would say that"*. Some respondents said that improvements to morale were due to restructure or management change, but a separate respondent highlighted that restructure had caused a decrease in morale.

A majority of participants cited accessing funding, or issues related to funding, as one of the challenges they face in their job in the coming year. For some participants, typically in smaller organisations, the funding challenge is very directly linked to their personal job security. Some noted that their job may be at risk and some others in very small organisations questioned the viability of their whole organisation going forward. As indicated by the following comment, there are wide ranging challenges linked to lack of funding that can be more easily addressed if there is known security of funding in the medium or long term.

"It's about funding - almost always about funding in the third sector. My role is to seek out funding for this organisation, to find funding in a stable manner - not bits and pieces. It's all contingent on successful funding applications - medium term funding - if that's in place, the rest of the anxieties just about disappear."

Development Worker, aged 55-64

The effects of a lack of resources were wider reaching than individuals' job security, with others saying that this had made the job itself more difficult:

"In the current financial climate we're having less and less opportunities to help people and it's more about managing people as a resource."

Housing Support Services Manager, aged 35-44

"I enjoy my job, but it has been harder the last 12 months because of lack of resources."

Service Delivery Officer, aged 55-64



There are widespread concerns about the levels of funding available, the challenge of identifying new sources of funding and, notably in smaller organisations, the complexities and bureaucracy of applying for funding whilst in competition with professional fundraisers in larger charities. The time involved in completing funding applications can sometimes conflict with a desire to focus on service delivery and service users when staff numbers are limited and individual staff members are already working excessive hours. The duration or term of specific funding has a significant impact on both individual job security and the ability to recruit appropriate staff to meet service needs.

Over and above all of the other issues already outlined, a small number of participants expressed concerns that the Commonwealth Games in Glasgow has impacted and will impact on the amount of funding available from Glasgow City Council and that it will add to organisational challenges.

“Financial challenges - the Commonwealth Games takes up a huge chunk of the money available, and the North of Glasgow is totally neglected. GCC do know that it's an issue. Most things now are multi-funded, which is a challenge. Requirements to funding- for BIG lottery funding you have to own the site, and even a 125 year lease is not enough. Then there are interactions between different sources of funding. There will definitely be a lull in funding after the games as well.”

Director, aged 35-44. Employer: £200k - £500k turnover and 5 paid staff

Regardless of their major sources of funding, participants talked of difficulties in the current climate; personal donations declining due to lower levels of disposable income, lower levels of grant funding³² and caveats or conditions of funding that are almost a disincentive.

“IGF - integrated grant funding. Everyone's moaned about the annual basis being bad for sustainability. We are not clear on eligibility criteria. You have to have demonstrated your move towards sustainability. We've gone from 50% grant funding to 18% grant funding, and now could become victims of our own success (i.e., you don't even need this 18% any more.)”

Chief Executive Officer (CEO), aged 45-54. Employer: £1m - £2m turnover and 48 paid staff

The many references to growing competition for reduced levels of funding also led to some comment that this may impact adversely on the quality of relationships between organisations. Whilst some participants alluded to the benefits of joined up working, networking and collective delivery for the common good there were also some suggestions of conflicting interests, duplication of interests or wasted efforts despite the best of intentions.

³² While this was the perception of some respondents we cannot say whether this is measurably true in Glasgow. National data from NCVO covering Great Britain suggests a modest increase.



"There is less funding and everyone is after it. The challenge is how to work and plan strategically to make it happen and encouraging people to do their homework first; people get funding who haven't identified a need. Groups or organisations come into the area who haven't done their homework and don't realise there is stuff already there."

Director, aged 55-64. Employer: £200k - £500k turnover and 3 paid staff

"The available money is going down and there are more organisations and people vying for funding. This is an established organisation but cuts don't take prisoners."

Support Worker, aged 45-54. Employer: £2m - £5m turnover and 114 paid staff

Managers provided some evidence that there has been a **move towards more part time working**:

"Decreased [working hours for staff] as taking on more part-time staff - again because of funding"

Director, aged 35-44. Employer: £100k - £200k turnover and 2 paid staff

Many, but not nearly half, of participants referred to job challenges linked to increasing administrative and regulatory burdens around funding, some driven from within their organisation and others precipitated by external requirements. These included the rigours of funding applications, ongoing monitoring and reviews linked to funding continuity, a growing need for evidence of quality assurance and compliance needs. In addition, and far from unique to the voluntary sector, some participants identified challenges linked to auto-enrolment or to shortfalls in pension funds.

One out of every 5 people we interviewed had found their working hours had increased in the last 2 years³³. Respondents who indicated an increase in working hours suggested that this was often not an increase in *paid* working hours:

"No change in contracted hours but [we] work more."

Project Co-ordinator, aged 55-64. Employer: £100k - £200k turnover and 2 paid staff

"Staff are working longer hours and it's then hard to get these back through Time Off in Lieu (TOIL)."

Project Manager, aged 45-54. Employer: £200k - £500k turnover and 2 paid staff

It is notable that overwork and stress were cited by some participants as key challenges to their own role over the next twelve months.

³³ i.e.20%. This was based on our analysis of both quantitative and qualitative responses together and has not been weighted by organisational size. 11% reported a decrease in hours.



"..... to keep a fresh perspective in the client work while I'm concerned about keeping my own job due to the financial strain the organisation is under. We might all be made redundant. Things happen in your life but this is out of our control- going month to month with financial uncertainty and job insecurity- it's exhausting. I'm not a worrier but I know some people are - these are stressful times."

Senior Counsellor, aged 45-54. Employer: £500k - £1million turnover and 6 paid staff

Changing demands

Some staff have felt an increase in demands or changing demands placed on them, which make their work more complex:

"We're now working more with kinship carers...grandparents are the primary carers of children now. There's a real increase in this client group. It is almost by definition a difficult client group - that requires more skill and more time."

Social Worker, aged 45-54. Employer: £500k - £1m turnover and 10 paid staff

The most common theme relating to changes due to welfare reforms was that they lead to increased demand for services as increasing numbers of people encounter financial hardship. Individual participants talked of many different ways in which financial hardship impacts across different areas of service provision. There was reference by both managers and other staff to direct and obvious impacts such as more users of food banks, or increased incidence of rent arrears and subsequent homelessness, as well as less direct effects such as increased stress, more chaotic lifestyles and a downward spiral of ever more complex support needs as systems become harder to negotiate.

All of these factors were identified as leading to increased demand for services and / or needs for new or different services in order to deliver effective support. In turn, participants talked of the need for more staff or staff with new or different skill sets to meet the evolving needs of service users as well as the growing numbers of service users.

"There is an increased need for family support services because of Disability Living Allowance. A significant increase in demand for services means we have to do more with less. There is a need for changes in skills / expertise as tasks become increasingly complex because of the impact of increased poverty."

Director, aged 45-54. Employer: £20m - £50m turnover

In parallel with perceptions of growing demand for services necessitated by welfare reforms, public sector budget cuts were identified as impacting on available funding, which in turn reduces the ability to attract, retain and train appropriately skilled staff in increasing numbers to meet those additional demands. Some participants also talked of reduction in public sector service provision as a result of budget cuts, creating a larger public service void that the third sector is trying to fill.



"There are more people coming through the door and more pressure to provide / fill the gaps created by cuts to budgets. There is a need to deliver without extra resources, to backfill. Cuts to the Independent Living Fund are having a big impact and people's ability to do their jobs are being affected due to lack of support."

Executive Director, aged 45-54. Employer: £2m - £5m turnover and 35 paid staff

Difficulties for workers as a consequence of change management itself

Given all of the above, it is not surprising to find that 'managing change' along with managing and motivating staff is identified as another challenge for those in line management positions. For some participants this is particularly difficult at a time when their own motivation may be starting to waiver.

"I am concerned about change coming from both the internal and external environments. There are changes in Local Authorities re health that are impacting on us and a continued level of uncertainty about funding. It's hard to maintain a sense of balance and easy to become despondent. It's also a challenge to sustain good relationships with colleagues and make them feel secure. Recent redundancies here have impacted on staff morale."

Service Manager, aged 45-54. Employer: £20m - £50m turnover and 100 paid staff

We've had a rollercoaster 2 years - moved building, a little drop off in volunteers as moved away from city centre, been working in temporary offices downstairs, in offices here that aren't suitable for our needs - ongoing battles to get this changed - a very unsettled period for us."

Supervisor, aged 45-54. Employer: £2m - £5m turnover and 17 paid staff

"Challenging with the extent of reshuffling of senior management."

Company Secretary, aged 55-64. Employer: £2m - £5m turnover and 80 paid staff

"The staff team is totally demotivated due to changes in the leadership and increased redundancies."

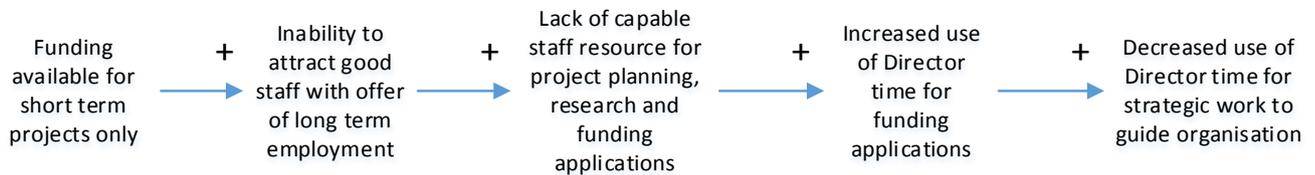
Development Officer, aged 55-64. Employer: £500k - £1m turnover and 22 paid staff

"People like [clear leadership] but they are still resistant- they used to be able to do what they want."

Practice Manager, aged 55-64. Employer: £200k - £500k turnover

Another response focused on the challenge of recruiting for the long term while working only on short term projects, and that this drives a negative progression in the organisation, as summarised in Figure 15 below (where “+” indicates a resultant increase):

Figure 15: Some organisations describe a ‘vicious cycle’ of decline



This description echoes the shift reported by a number of respondents from using full time to part time workers³⁴.

Resonating with earlier comments about issues between the board and staff, one respondent said this was due to a lack of understanding between staff and boards:

“Board members understand figures but don't understand what staff actually do and so make decisions that cause problems for staff and clients. There is support but also interference from Board. It's a case of business versus charity - staff work for a charity but perceive the Board to be running a business - Boards needs to understand the difference but they are all ex-businessmen who want to increase the capital rather than spend it for the good of the clients. Staff don't get to make decisions about the way they work but Board members don't know what their clients need.”

Welfare Co-ordinator, aged 55-64. Employer: £200k - £500k turnover and 1 paid staff

Some managers focused on looking to the future, with a minority implying that they had now past the worst of their problems, such as saying they had “*come through a difficult period*”, or the sector is facing an increasingly challenging time ahead:

“I've worked in the organisation for twenty years and I'm more anxious about the future than I've been for twenty years....I'm now concerned about the future services for children with learning difficulties.”

Unit Manager, aged 55-64. Employer: £500k - £1m turnover and 2 paid staff

“The third sector is under increasing pressure...In England there have been moves to private companies and more use of lower paid staff. Social Care has become the new factory work - 15 minutes to provide care to people. That can leave vulnerable people (older people, people with disabilities, children) more vulnerable.”

Service Coordinator, aged 45-54. Employer: £200k - £500k turnover and 11 paid staff

³⁴ International evidence suggests that this is a widespread approach to third sector budget restraints [Chambers, R. 2005. Aid and administrative capacity. In Ideas for Development, ed. R. Chambers, Oxford].

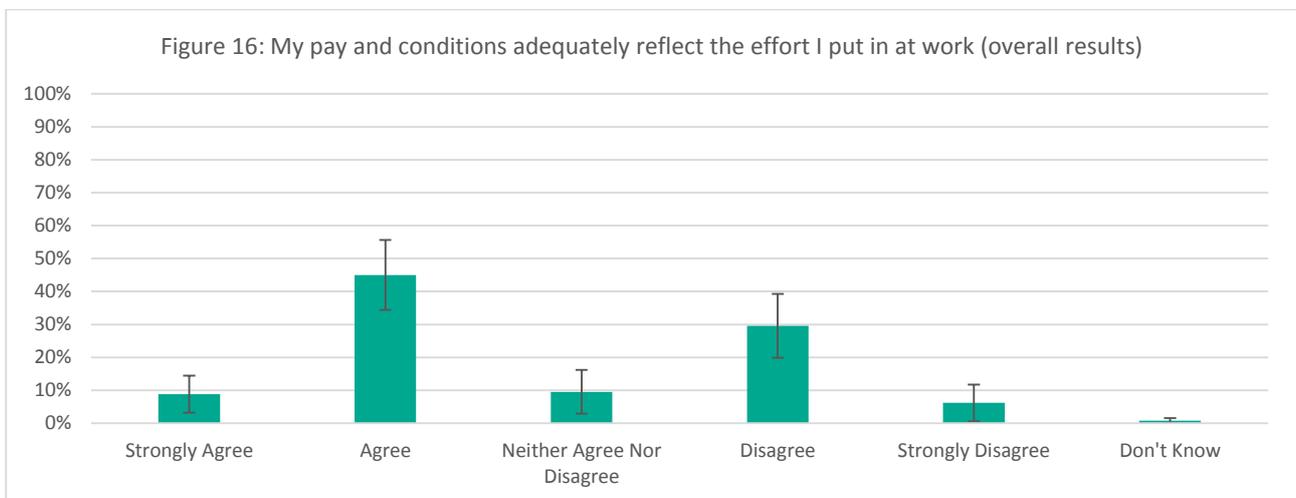
5. Findings: Workplace benefits and pay

The primary focus of this work was to explore the changes in the nature of work within the third sector. This relied on descriptions from interviews about what sort of change had happened and what the impact of that was.

When asked specifically about changes to staff benefits and pay, most respondents said that there had been no net change in terms of staff benefits or perks. However, respondents also mentioned both increases (1 out of every 10 responded this way) and decreases (again, 1 out of every 10 responded this way).³⁵ Those mentioning increases in staff benefits or perks described a range of new benefits, including additional childcare vouchers, introduction of occupational health, new overtime payments, life insurance perks, counselling support for staff and additional payments for staff training.

In the longer term a more ideal way to describe change is by comparing results to a baseline and tracking over time. In this chapter we set out the current workplace benefits from our research. This is expected to be informative as background about the status of workplace benefits in the third sector, but serves a wider purpose as a potential baseline study for later comparisons.

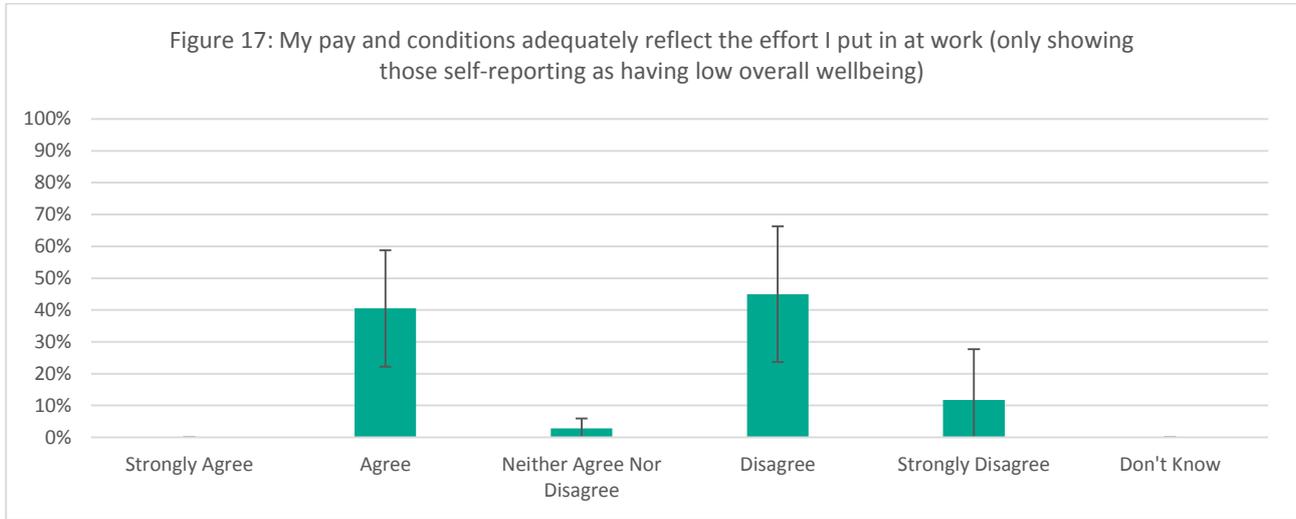
Figure 16 shows that most individuals feel that pay and conditions adequately reflect the effort they put in at work. However, 1 out of every 3 feels that it does not.



³⁵ This was based on our analysis of both quantitative and qualitative responses together and has not been weighted by organisational size. Therefore subset analysis, by type or size of organisation would be even more inaccurate than elsewhere in the report, so has been avoided.



Figure 17 shows the results of those who reported low wellbeing. It demonstrates a correlation between those who report low overall wellbeing and those who report that their pay and conditions do not reflect the effort they put in.



We found that most people who live in households in poverty did feel that their pay reflected the effort they put in (although half of such people are not on permanent full-time contracts, so may work fewer hours anyway).

Some of the respondents within the majority who felt they had a good level of support in work, or good staff benefits, made comments to help us understand their views:

"It's brilliant, very flexible, very supportive line management, access to training, good communication."

Temporary Advocacy Manager, aged 45-54. Employer: £200k - £500 and 3 paid staff

"My manager has been very supportive of commitments outside of my work (that are related to my work) and has allowed me to juggle my hours in quite a flexible way."

Project Worker, aged 35-44. Employer: £200k - £500k turnover and 11 paid staff

"Strength in terms of benefits and work-life balance."
HR Manager, aged 45-54. Employer: £5m - £10m turnover

Contract type

We looked at the status of the employment contracts of those interviewed. This is relevant as there is current discussion of both

- Third sector organisations needing to reduce their staffing or staff costs
- A desire among some people to encourage fewer zero hours contracts and sessional working in the workforce as a social goal in itself.

We found in our sample that 8 out of every 10 contracts were full-time and permanent with a further 1 in 10 part-time and permanent (see Figure 18). Only half of those who were described as “in households in poverty” were in full time permanent contracts, reflecting more part- time working (which in turn reduces income, making them more likely to be in poverty).

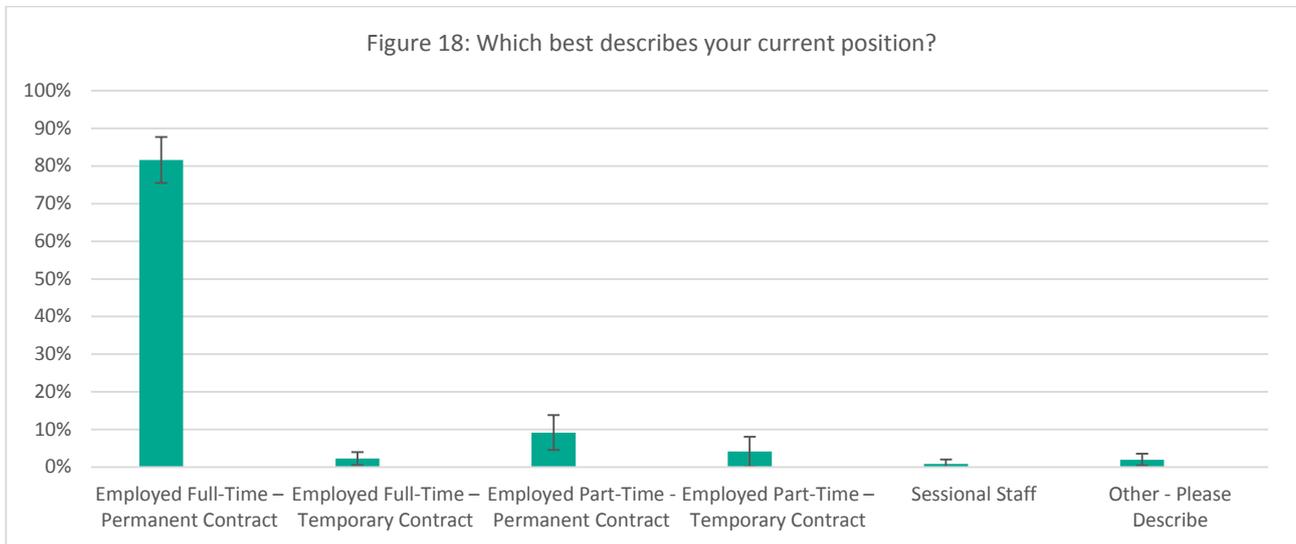
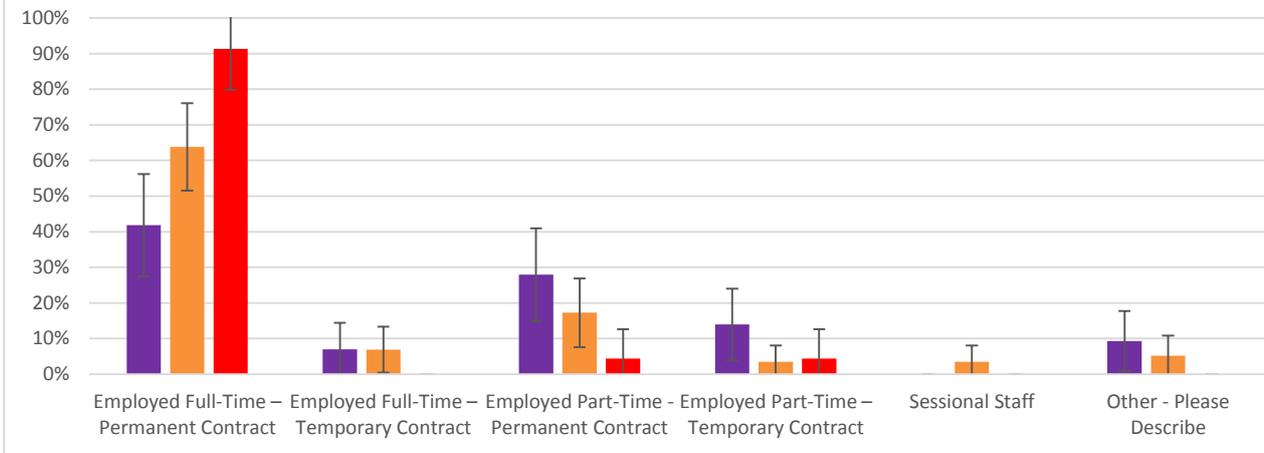


Figure 19 (overleaf) shows that in very small third sector organisations (purple bars) employees are much less likely to be in full-time permanent posts – only 4 out of every 10. Six out of every 10 workers in small/medium organisations have full-time permanent posts (orange bars); and 9 out of every 10 in large organisations (red bars).

Qualitative comments suggest this reflects the funding difficulties outlined in chapter 4; employee contracts are often tied to specific funding which is becoming even less reliable as an income source. The larger organisations we spoke to were international charities and housing associations whose income is more secure. These numbers exclude managers from the totals in small/medium and large organisations. This was because contractual issues tend to be focused on staff and not managers.



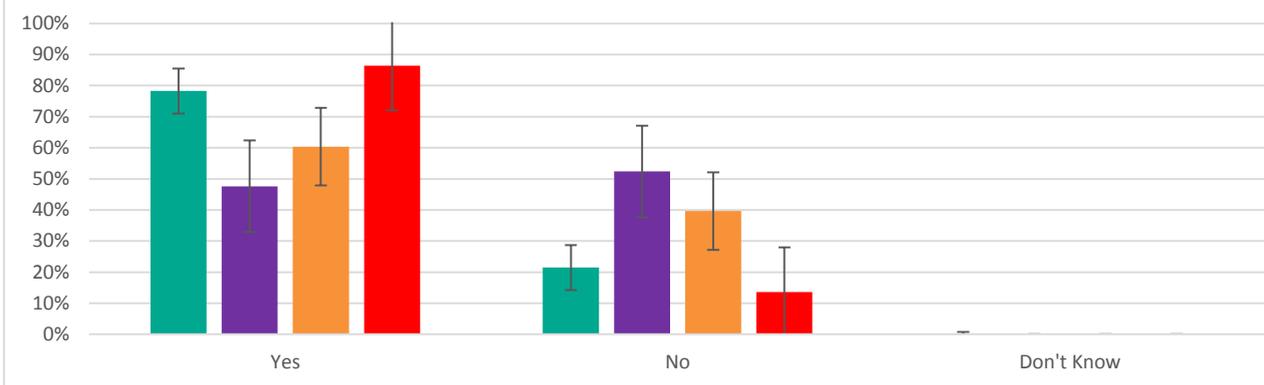
Figure 19: Which best describes your current position? Purple bars = very small organisations; orange bars = small/medium organisations; red bars = large organisations.



Pensions

As expected, we found that most employers had pension schemes and paid in employer contributions (Figure 20). However, some staff in large organisations still reported that this was not the case (although it should be noted that respondents may be incorrect – all managers interviewed in large organisations reported that employer contributions were available). Very small third sector organisations (purple bars) were half as likely to have employer contributions as large organisations (red bars). These numbers exclude managers from the totals in small/medium and large organisations. All the managers of large organisations received additional pension contributions.

Figure 20: Does your current job entitle you to any of the following: Does your employer pay additional contributions into a pension for you? Green bars = overall total; purple bars = very small organisations; orange bars = small/medium organisations; red





We asked managers specifically about whether organisations pension deals for employees had been improving or getting worse. While most respondents indicated that there had been no change in staff pension deal, a minority highlighted that the pension deal had improved and others indicated that changes were imminent. Despite the fact that the “no change” response was the most common, many respondents referenced changes to statutory obligations around pensions, and the overall sense from interviews was that many organisations have recently considered, or are currently considering, staff pensions:

“No change but we know we need to do something about this”
Director, aged 35-44. Employer: £100k - £200k turnover and 2 paid staff

A respondent on behalf of three staff who cited a reduction to the pension deal said that this was due to a reduction in employer contributions. Conversely, improvements to pension deals included increases in employer contributions, as well as increases in staff contributions. A respondent on behalf of four staff said the deal had improved and linked this to both the organisation’s desire to improve conditions for staff and to legislation around pensions:

“The organisation determined that the provider we had wasn't giving us the best deal for staff. [The change was] also linked to changes in legislation for pensions –it's a better deal for staff now.”
Services Manager, aged 45-54. Employer: £2m - £5m turnover

Some who said that there had been no change indicated that they had **concerns over the sustainability of their pension provision**:

“[The pension deal is] very high, and we can't get out of it, which is a problem for funders”.
Project Manager, aged 45-54. Employer: £200k - £500k turnover and 1 paid staff

“It's impossible to get out of – a millstone.”
Chief Executive, aged 55-64. Employer: £500k - £1m turnover and 6 paid staff

“No change but [there is a] deficit in pension fund.”
CEO, aged 65+. Employer: £500k - £1m turnover and 33 paid staff



Annual leave

We found that employers were offering full-time staff holiday entitlement (including public holidays) beyond the minimum requirement (28 days) with an average of 36 days. One out of every 5 get more than 40 days per year annual leave entitlement. This was not at all limited to managers or larger organisations: that is, there were no statistically significant differences between the categories of: very small organisation; small/medium organisations excluding managers; large organisations excluding managers; managers in small/medium organisations; and managers in large organisations.

Paid sick leave

Almost all employees interviewed are entitled to sick leave (see green bars in Figure 21), with the exception of very small organisations where 4 out of every 5 are entitled (purple bars). This may reflect the fact that in very small organisations owners or self-employed people make up a significant minority of workers among the staff.

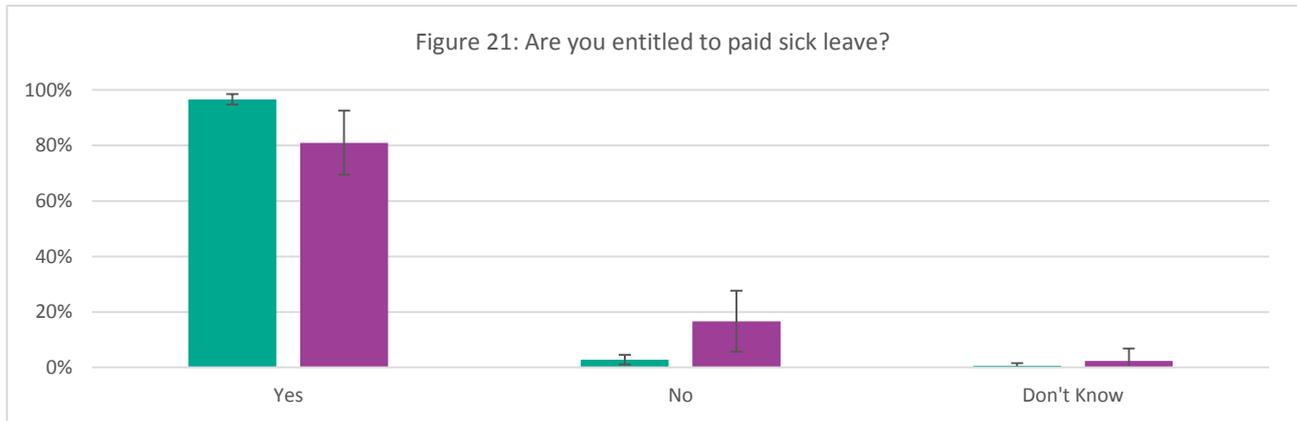
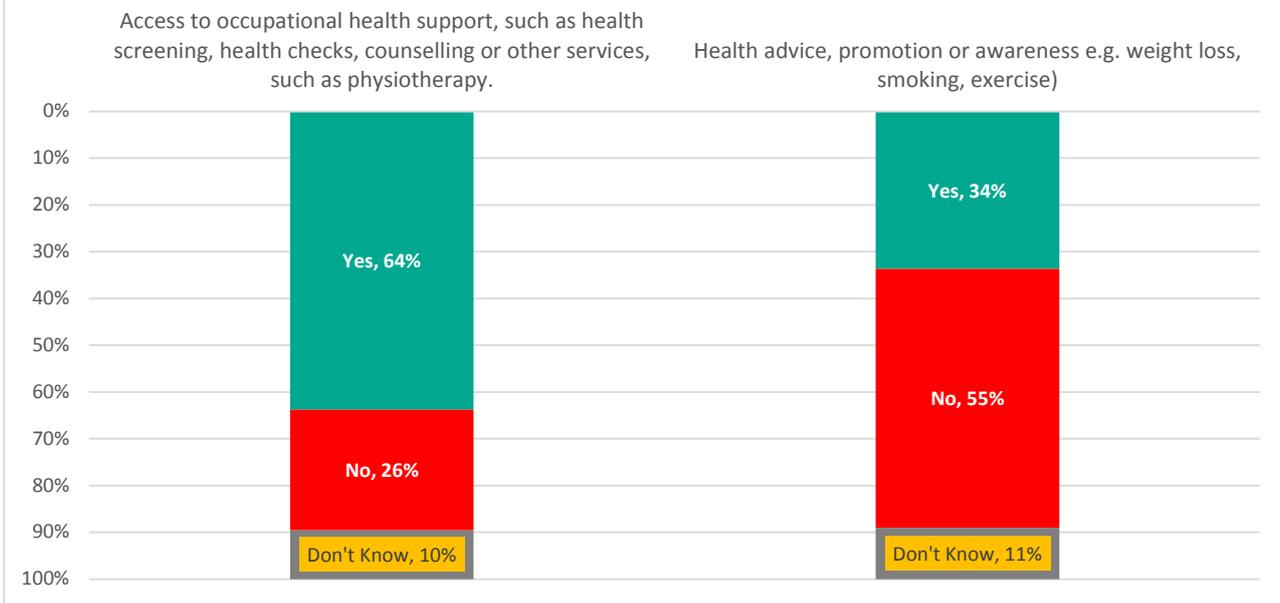


Figure 22 overleaf shows that 2 out of every 3 reported access to some type of occupational health support and 1 out of every 3 reported access to health advice promotion or awareness. However, as is discussed in Chapter 6, we found that a few people with serious health conditions had no access to these forms of support. Access to these services was broadly similar across different organisational sizes.



Figure 22: Are you able to access any of the following health-related support through your work?



A few managers we spoke to described that their **sick pay conditions had been made less favourable** as part of their efforts to change the organisation to be more competitive:

"Contracts changed and sick pay reduced from 6 months full and 6 months half to 3 months full and 3 months half"
CEO, aged 65+. Employer: £500k - £1m turnover and 33 paid staff

"A number of changes to conditions to sick pay (tightening up of process and staff now not paid for first 3 days of sickness after their first sick period, other conditions."
Unit Manager, aged 55-64. Employer: £500k - £1m turnover and 2 paid staff

Flexible working

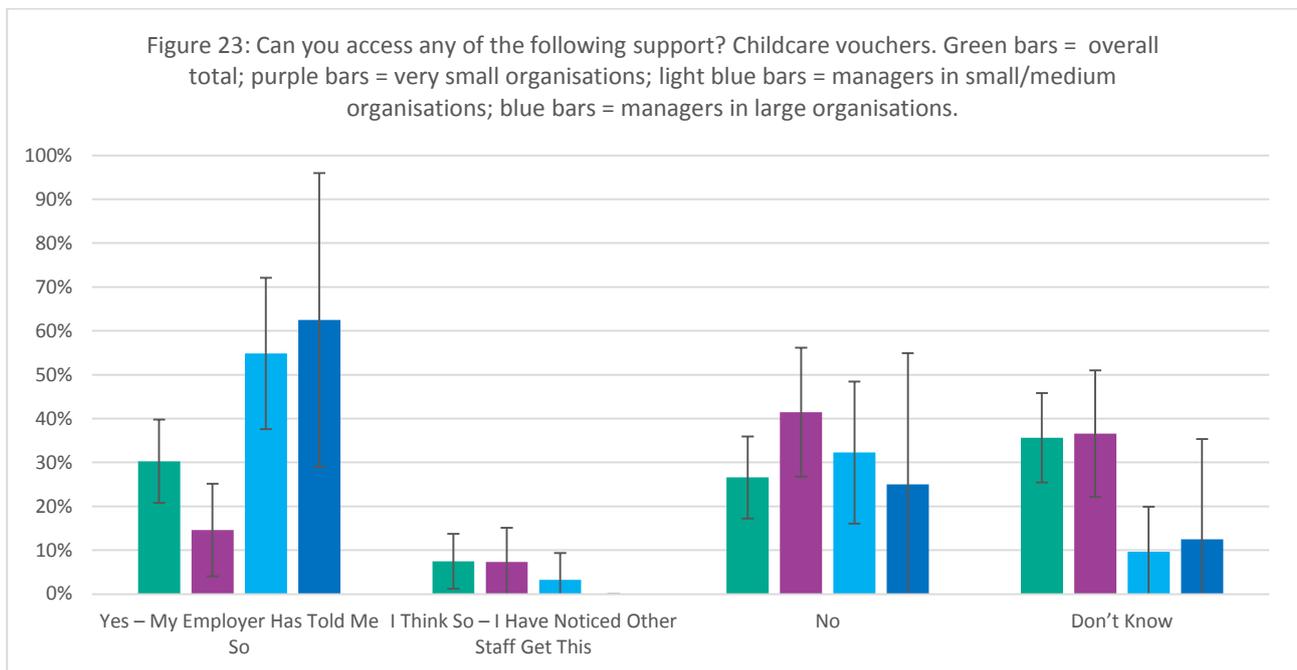
We found that most people have access to flexitime (or similar) and job sharing if they want it. Almost everyone has access to parental/carer leave (although this may be unpaid) and bereavement leave.

As shown in Figure 23, we found that more than 1 out of every 3 third sector organisations offered childcare vouchers, but only a few very small organisations (purple bars) opted into a childcare voucher scheme. Such a scheme can save many parents with children aged up to 15 over £1,000 a year on childcare. They enable parents to pay for childcare out of pre-tax and national insurance income. It uses salary sacrifice and for a basic rate (20%) tax payer represents a £55 per week voucher, with a maximum annual tax saving of £930.



Managers in small/medium organisations (light blue bar) and managers in large organisations (dark blue bar) were more likely to have access to childcare vouchers – although it appears that the real difference is that managers *knew* they were entitled, whereas other employees often responded “don’t know”. This means that we have to interpret the responses with some caution as many employees may have access to childcare vouchers but not be aware of it. However, the scale of ‘don’t know’ responses suggests that there are issues about the transparency of employee benefits.

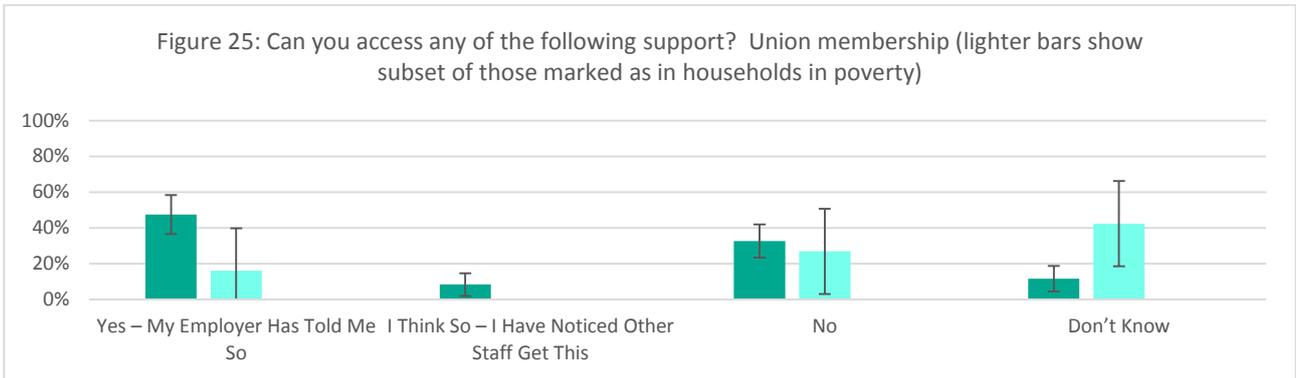
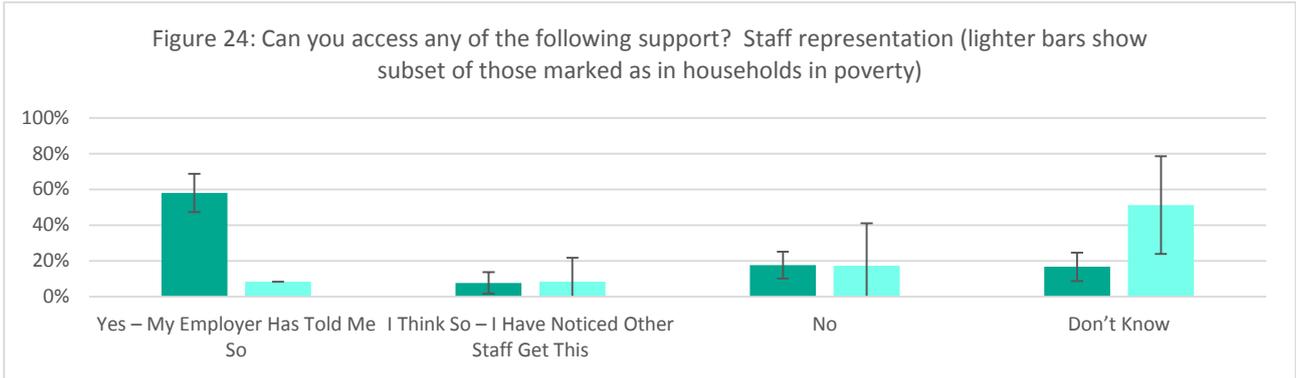
Childcare is such an important aspect of worklife balance that fixing the awareness of this workplace benefit and the provision among small employers may be a specific target in terms of improving working conditions or mitigating the negative changes on pressures on third sector workers explored in Chapter 4.



Staff representation, union membership and credit union membership

Staff in any organisation can look to join trades unions, indeed employees have automatic rights to time off for trade union activities. However, organisations can encourage and enable union membership or internal staff representation to different extents.

While we found that the majority had access to staff representation and union membership, some did not. We also found that a significant proportion of those categorised as living in household in-work poverty (light green bars in Figures 24 and 25) did not know about their entitlement and were unlikely to be participating in staff representation or union memberships. These people might be considered those with most to lose from poor representation. Their lack of knowledge of their entitlement may reflect their increased likelihood to be working more casual or part-time contracts and so having reduced representation with the lowest job security.



Training and education

A large majority of workers reported having access to support with further education and training to cope with their duties.

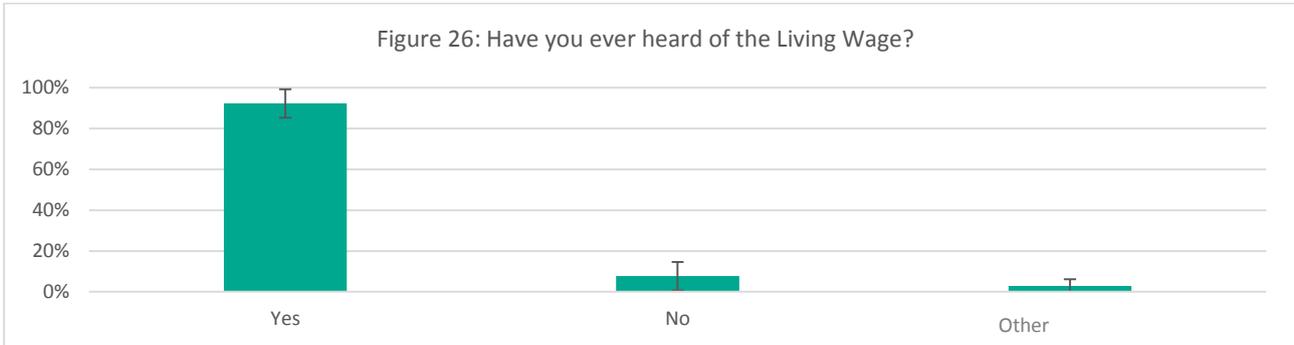
Living Wage

Given that there is a current debate about the merits of paying the Living Wage (£7.65 per hour in 2014, against the statutory Minimum Wage of £6.50) in the third sector, we asked all managers about Living Wage.

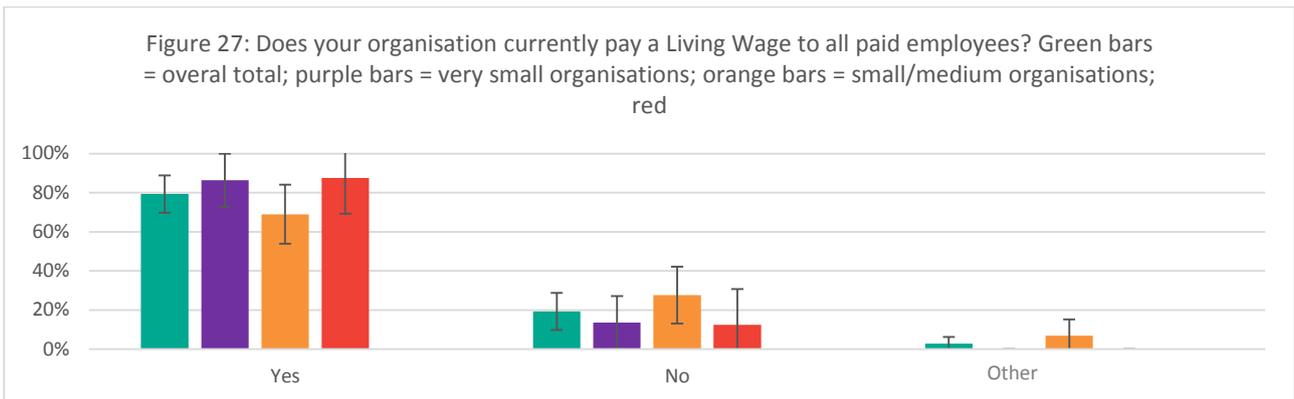
All 71 third sector “key managers” we spoke to were aware of the Living Wage. Almost all these organisations were paying Living Wage to all staff. For some organisations, they had made a conscious effort to pay at or above this specific threshold. Those that were not paying the Living Wage mentioned that it was ‘not affordable’.



As shown in Figure 26, nearly all respondents had heard of the Living Wage, and, as shown in Figure 27, 4 out of every 5 said that their organisation currently pays a Living Wage to all paid employees. However, some did not know about sessional staff, and this would merit further focused research. There was a sense from interviews that for some organisations, they had made a conscious effort to pay at or above this specific threshold, with one respondent citing this as being part of their new business plan.



Small to medium sized organisations were slightly more likely to respond that their organisation does not currently pay a Living Wage to all employees³⁶ (Figure 27)

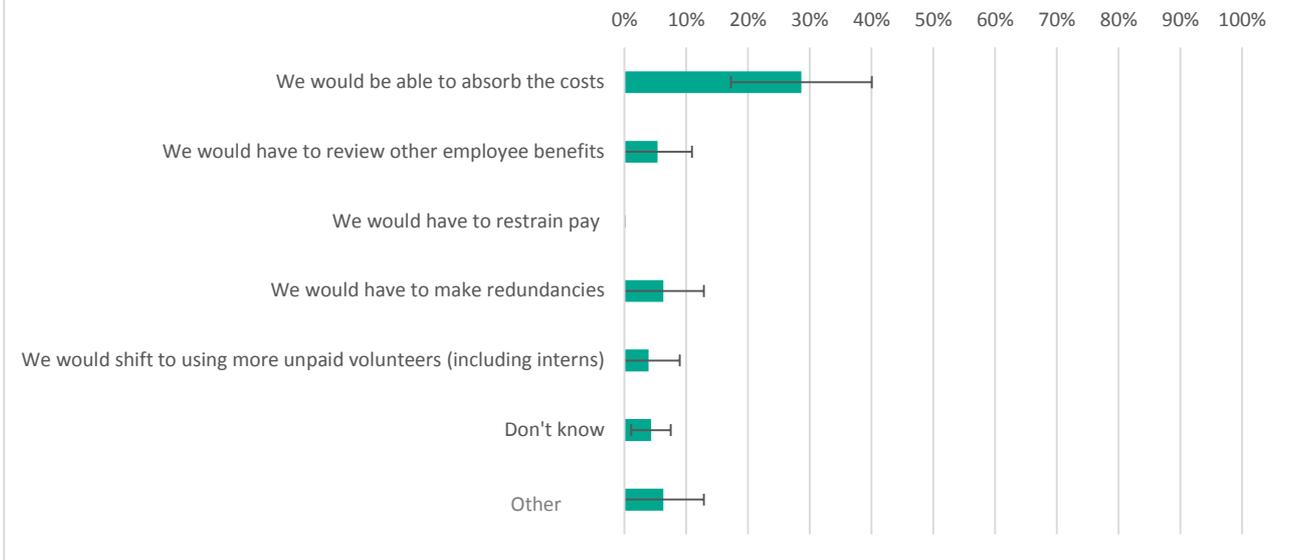


Organisations were asked "If a Living Wage was introduced to replace the current Minimum Wage, how would your organisation respond?" (Figure 28). For respondents who had answered that their organisation does not currently pay a Living Wage to all paid employees, a range of responses were given. It is of note that a review of other employee benefits was seen as necessary by some respondents, but overall this amounts to only 7.5% of those who answered their organisation did not pay a Living Wage to all employees.

³⁶ JRF (2014), Future UK Labour Market (<http://www.jrf.org.uk/publications/future-uk-labour-market>)



Figure 28: If a Living Wage was introduced to replace the current Minimum Wage, how would your organisation respond? Of those who currently don't. [Please indicate all that apply.]



The “other” responses to this question of the organisational impact of Living Wage for those not currently paying it were varied, with uncertainty expressed by some respondents, e.g.,

“[We] would have to absorb costs somehow.”
HR Adviser, aged 25-34. Employer: 100 paid staff

“We are trying to bring it in across the board but it will have an impact.”
Executive Director, aged 45-54. Employer: £2m - £5m turnover and 35 paid staff

Another interviewee’s response demonstrated no concern over the introduction of a mandatory Living Wage:

“[It] would only be a negligible amount of money.”
Senior Principal Solicitor, aged 45-54. Employer: £500k - £1m turnover and 14 paid staff

However, a further interviewee saw the introduction as being unaffordable without assistance:

“An increase in Government contributions to training schemes would be needed to cover the Living Wage for trainees.”
Project Manager, aged 45-54. Employer: £200k - £500k turnover and 2 paid staff



6. Findings: Employee health and wellbeing

To gain insights into the health and wellbeing of the workforce of the Glasgow Third Sector we asked a range of questions about individual health and wellbeing and the ways in which their work - and the way it is changing - was having an impact on this.

The overall finding is that, at the time of measurement, our sample of respondents self-report higher levels of health and wellbeing than a similar demographic of workers found in a national survey.

We do not know whether this has changed in recent years. This makes it difficult to draw conclusions about the degree to which the impact of work changes can be considered either positive or negative. One particular concern is that the changing nature of the sector will result in worse health and wellbeing for workers, which in itself may impact on healthcare and other public budgets.

We also gathered a few case studies of people's health conditions to understand what conditions people live with who work in the sector. These are set out at the end of this chapter.

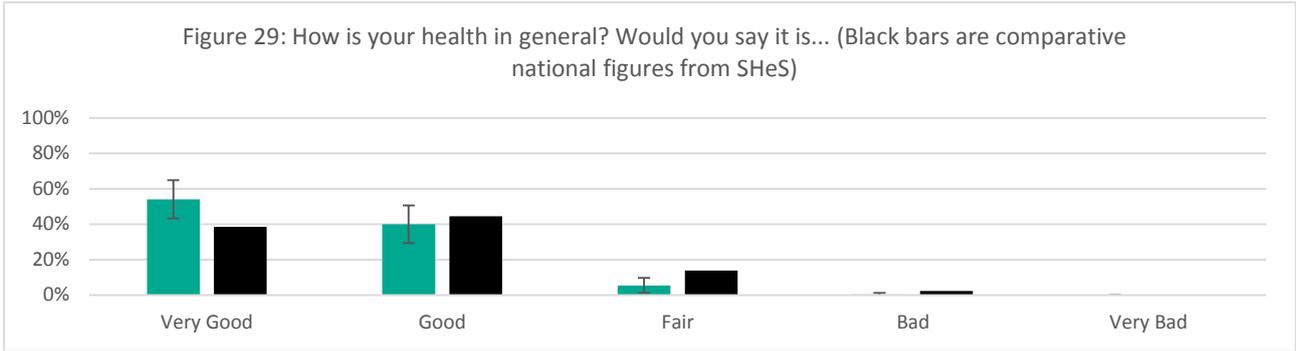
We found that, while some workplace benefits are good, some health benefits are not available to those with serious health needs. This appears to be an area where remedial action could be taken to ensure workplace health benefits (such as access to occupational health support) are available across the city's third sector organisations.

The greatest value of the data in this section will be in tracking these statistics over time and, once the trend upwards or downwards is apparent, using the qualitative data we have already collected to better understand something about the rationale for these movements.

Health

We asked a standard "how is your health in general" question to gather self-reported health of respondents. We found that our sample (in green in Figure 29) self-reported slightly better health than a sample from a national survey, the Scottish Health Survey, which we re-weighted to ensure similar age, gender and employment characteristics.³⁷

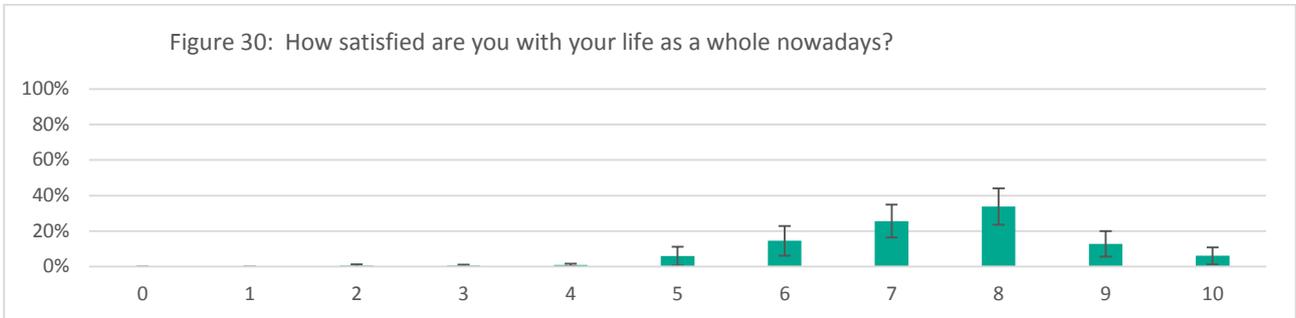
³⁷ <http://nesstar.ukdataservice.ac.uk/webview/index.jsp?v=2andmode=documentationandsubmode=abstractandstudy=http://nesstar.ukdataservice.ac.uk:80/obj/fStudy/7501andtop=yes>



Wellbeing

We asked two sets of questions about wellbeing. The first was a simple self-reported wellbeing question (see Figure 30) with the second set of questions taken from the Short Warwick-Edinburgh Mental Wellbeing Survey. Wellbeing is about much more than work or the workplace, but clearly to some degree having better or worse working life can impact on individuals' overall wellbeing.

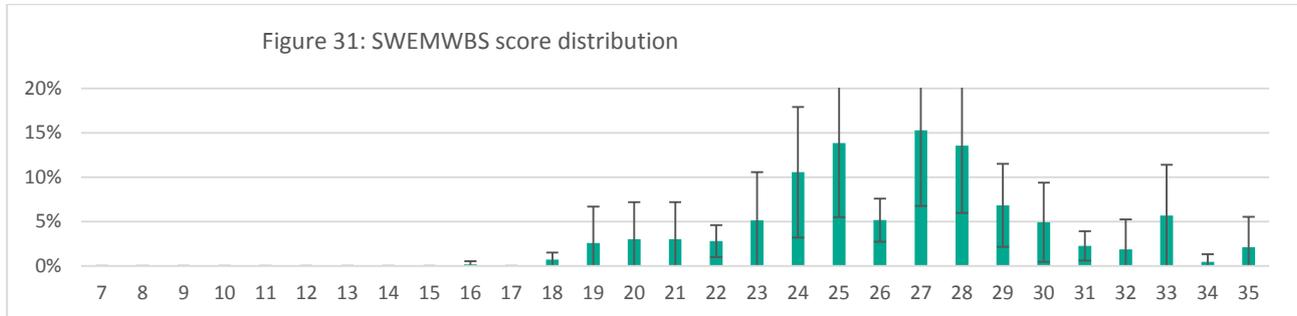
Figure 30 shows that when asked "how satisfied are you with your life as a whole nowadays?" on a scale of 0 (very unsatisfied) to 10 (very satisfied) most people answer in the "satisfied" range (i.e. 7, 8 and 9). Worryingly, a number of individuals ranked themselves below a 5 (7 out of 161); while this is not unexpected in a large sample, on a personal basis these individuals will likely be in need of support at work and at home. We have no basis for comparison of this statistic at this time.



Comparative data on wellbeing measurements were available using the Short Warwick-Edinburgh Mental Wellbeing Survey (SWEMWBS), which asks questions on the frequency of feeling useful, optimistic, relaxed, resilient, as well as thinking clearly, closeness to others, and being in control of decision-making. The SWEMBWS questions generate a single score on a scale of 7 (low wellbeing) to 35 (high wellbeing). It has been proven to be effective as a comparator between sample populations and to be comparable with the longer "Warwick-Edinburgh Mental Wellbeing Survey". Figure 31 shows the distribution of scores among the respondents, the average score being 26.47 points with a 95% confidence interval of 1.66 points.



The national survey, the Scottish Health Survey, which we re-weighted to have similar age, gender and employment characteristics shows a Scotland-wide average score of 25.42³⁸, thus showing that Glasgow's third sector workforce appear to have an average wellbeing score.



Case studies of those third sector workers with health conditions

Participants answered a range of questions about their health, and also about how changes in their working life in the last two years had affected their health. Below, we describe a profile of a number of sub-sets of participants:

- Those who returned to work after health problems (3 people in total out of c160)
- Those for whom a change in working hours had a negative impact upon their health (11 people in total)
- Those for whom a major change in their duties had a negative impact upon their health (10 people in total)
- Those with health conditions that accessed some type of support. (12 people in total)

Those who returned to work after health problems

Three respondents said that they had returned to work over the last two years after a period out of work due to health problems. (Note that not all participants provided responses on this issue.) The health problems listed included mental health concerns and cancer.

One of the individuals provided a response on both their move out of work and move back to work, and they saw both changes as being positive for their health, with the move back to work being their own choice. Overall, two of the three respondents saw the move back to work as being positive for their health (the other respondents described the effect as "neutral").

³⁸ <http://nesstar.ukdataservice.ac.uk/webview/index.jsp?v=2andmode=documentationandsubmode=abstractandstudy=http://nesstar.ukdataservice.ac.uk:80/obj/fStudy/7501andtop=yes>. We did not reweight on qualifications as there is not a comparable question in the SHeS but we did find that our sample was very highly qualified compared to the population.



One of the three respondents' overall views about their work was very positive, with a strong sense of being supported by the organisation, but they also said that in the last two weeks they have often found it difficult getting to sleep at night because of current job worries.

Those for whom a change in working hours had a negative impact upon their health

Respondents answered questions about their work history over the last two years, including whether they had experienced changes in their working hours, major changes in duties or interruptions to their being employed continuously within the last two years. Respondents answered whether these changes had had a positive, negative or neutral effect on their health.

Seven of those who said that their working hours had increased said that this had had a "mainly negative" effect on their health (not all participants provided responses on this issue). The reasons for the increase in working hours were varied, with three saying this was due to external factors, one saying this was their own choice and three saying that it was a mixture of the two.

Four of those who had experienced a reduction of their working hours said that this had had a "mainly negative" impact on their health. Three of these said that their reduction of working hours had been due to external factors (i.e. not their own choice), with the other respondent saying it was a mixture of their own choice and external factors.

Those for whom a major change in their duties had a negative impact upon their health

There were ten individuals who said that a major change in their duties had had a mainly negative effect on their health. Only one of these individuals said that the change was purely their own choice. These changes included being promoted to CEO, line managing more staff, changes due to restructuring and being responsible for tasks suited to a more senior role.

The average overall life satisfaction score for these ten individuals was 6.3, as opposed to the weighted average of 7.5 for all respondents. None of these individuals said their health was "very good", and five of the ten reported a health problem which limited their activity and which had developed since starting their current role. As well as the listed health difficulties, five of the ten had other health difficulties, including hormonal difficulties, stress, a foot condition, which limits mobility, sleep apnoea, diabetes and high blood pressure. Three of these ten individuals had been made redundant at some point in the last two years, and one of these had experienced frequent moves in and out of similar jobs – again, these changes were perceived to have had a negative effect on health.

Nine of these ten individuals provided overall comments on how they had found their job over the last year, and these were striking in that only one of the comments was positive overall. Other comments from these individuals focused on stress or pressures in work and concerns over their personal finances due to having only a temporary contract or needing to juggle more than one job.



Those with health conditions that accessed some type of support

We investigated the profile of people who had

A. One or more of the following health conditions:

- Respiratory difficulties
- Cardiovascular disease
- Depression or anxiety

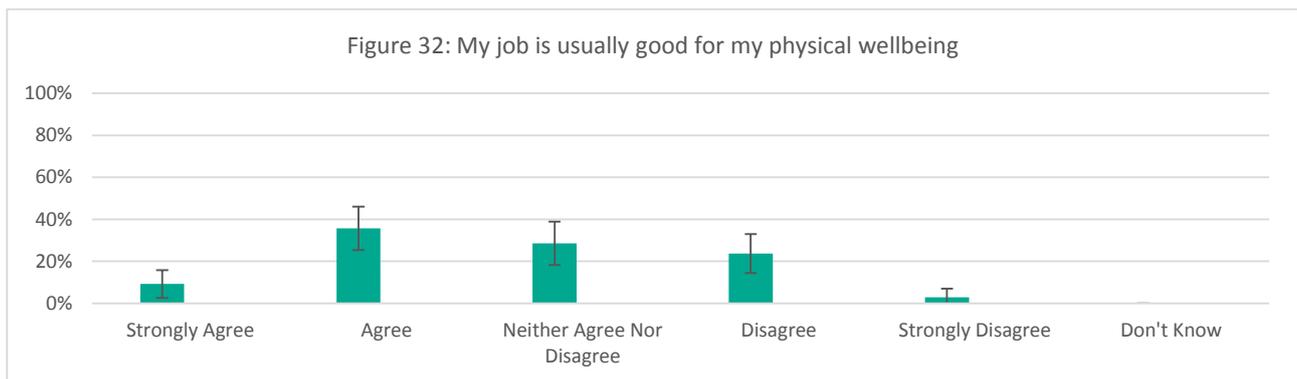
and

B. Rated their health as fair or bad.

This comprised twelve individuals. For six of these their health condition(s) (including other health conditions not listed above) were present before they started their current role, whereas for five their health conditions had developed after they started their current role (one person did not respond to this question).

7 of these 12 individuals said that they are not able to access health advice, promotion or awareness through their work – one further individual said they did not know whether they could access this. Six said that they could not access occupational health support, such as health screening, health checks, counselling or other services, such as physiotherapy – a further two said they did not know if they could access this support.

There is therefore some evidence showing that some staff with serious health needs may be without good work-place health benefits such as occupational health support. In the light of the fact that about 1 in 4 of all our interviewees disagree when asked if their job is good for their health (Figure 32) this may be an area which Glasgow's third sector organisations can look to improve. However, the capacity of some small organisations to do this without specific additional funding may be very limited.





7. Conclusions and discussion

The aims of this research brief were to:

- Increase our understanding of key labour market changes, including employment conditions, work-life balance, changing work histories, household income, and the impact of these changes on this workforce.
- Identify organisational changes within the voluntary sector (such as demands for services, resource availability and design or quality of services) and how the workforce is responding to these changes within the current economic climate.
- Explore the interaction between health, work and life within the sector, with reference to individual control, change, security and available support.

To a great extent, the nature of Glasgow's third sector has been affected by welfare reform and public sector budget cuts. As a result, we found a sector in flux with a currently positive and dedicated workforce who find their job a rewarding challenge and describe being pushed towards their limits.

Glasgow's third sector workforce may, in time, show increased signs of stress under sustained pressure arising from public policy decisions

The responses suggest a connection between the combination of welfare reform and public sector budget cuts *and* increased competition for funding, increased demand, and constrained spending within third sector organisations. We heard consistent stories of growing financial constraints combined with increased demand flowing from the day to day impact of aspects of welfare reform.

Since organisations are trying to maintain quality and have a workforce motivated by dedication to their work and the sector, many staff feel increasingly hard pressed (for example as funding applications become more onerous, awards less generous and less likely, and monitoring more administratively burdensome). They work longer hours and some organisations that have been badly affected by change report more absence due to stress.

We have examples of a small number of organisations where, as a result, there has already been a clear and serious negative impact on some workers. There is a risk that, if current trends in terms of financial support and growing demand do not change, more will experience increased stress and overwork. As more staff reach their 'tipping point', the effects on their wellbeing and organisations' ability to deliver may be serious, in turn affecting the Glasgow communities in which they work and live.

This could create significant risk to some organisations and their staff. By this, we mean reduced wellbeing, increased absenteeism, leading to further organisational difficulty in delivering, so creating more problems for organisations, workers, beneficiaries and their communities.



We may only be scratching the surface of a trend already in motion, as we cannot yet track decline in workplace benefits and pay, increases in stress or decreases in wellbeing.

Glasgow's third sector jobs display a range of features of 'good jobs'

We heard some stories of serious problems for a small number of workers who were experiencing significant stress brought about by increased financial pressures combined with increased demand for their services. We found many examples of people dedicated to working in the third sector who have spent much of their working life in the sector and/or intend to spend many more in the sector. Almost all those we interviewed (19 out of every 20) reported that they experience some job satisfaction each week and experience more job satisfaction than dissatisfaction. For many of Glasgow's third sector workers, the challenges they face in doing their work in communities (with the stress that brings) adds to their enjoyment of their work.

Many people working in the third sector are motivated by their job, citing:

- Job satisfaction
- Flexibility: almost all interviewees reported that they would find it easy to take an hour or two off in a family emergency)
- Variety
- Support: nineteen out of every 20 "get the help and support they need from colleagues"; seventeen out of 20 report that "my line manager encourages me at work".
- Autonomy: fifteen out of every 20 "can influence management decisions that have an important impact on my job". Sixteen out of 20 "have a realistic choice in deciding how I do my work".

In other words many third sector jobs display a number of the features of good jobs – and this is reflected in staff commitment.

A majority still felt that overall their pay and conditions adequately reflected the effort they put in at work. However, we found some evidence that work place benefits and pay were deteriorating and the danger is that the already significant minority who felt that their pay and conditions did not reflect their effort will increase.

There are ways in which the impact on third sector staff can be reduced

Decisions around the level of funding for benefits and services and the subsequent decisions of funders, procurers and commissioners, appear to be making a negative impact on Glasgow's third sector workforce.



Assess the short and medium term impact of decisions on workforce

Public sector funders of the services described in our report are under considerable financial pressure. Some of our findings suggest that the way these work through into third sector support may be storing up larger and more costly problems. It would therefore be valuable for public sector funders to consider in detail the impact on the third sector workforce and beneficiaries when taking decisions about reduced funding for services to be delivered by the third sector, including cost benefit analysis based on longitudinal research. A pilot into exploring in detail the likely medium term impact of decisions would be valuable in establishing the value of such an approach.

Co-design new approaches to competitive tendering

We have found that current financial constraints are leading to increased competition between third sector providers. In some cases, this may increase the workload associated with bidding for funds or contracts; in others, it may drive down prices to levels at which it is increasingly hard to deliver. There is merit in competition, but public agencies should be making and recording decisions about an appropriate degree of competition (especially where price may be driven down to levels at which it is difficult to deliver effectively) and designing competitions accordingly rather than allowing a “race to the bottom”.

Responsibility for this ultimately lies with the public agencies, but representatives of the third sector could do more to define and disseminate the sorts of funding relationships that would genuinely result in the greatest mutual benefit to both public sector budgets and the third sector. There may also be an opportunity for some third sector organisations to consider alternative sources of income which could involve other grant sources or income generated by social enterprises. We identified examples where financial constraints are driving more collaborative arrangements in order to reduce overheads, and others where the solution has been to merge to create a larger more financially robust organisation. It is likely that sustained financial pressure will lead to a smaller number of larger organisations in order to reduce overheads and maintain competitive pricing.

Living Wage

Public bodies requiring funded third sector organisations to pay the Living Wage to all staff is one of many options for supporting workers in poverty. There is already an opt-in scheme. The Glasgow Living Wage has 130 employers signed up to pay a minimum £7.65 to all staff³⁹. Although our research does not provide a basis for a detailed recommendation on the Living Wage the data we provide can be used as a benchmark against which to measure the change in Living Wage adoption over time.

The work we did find that worker stress was related to demoralisation rather than low pay and, in our small sample, 8% were living in households in poverty which is below the 15% UK average.

³⁹ Matthew Dutton, Robert Raeside, Tiffany Mazza, Tao Chen (2014) Evaluating the economic impact of the Glasgow living wage, Napier University Employment Research Institute



These workers in households in poverty were not all in small organisations, nor were they all sessional workers in large organisations. Some were temporary staff, others permanent, some full time. Almost all work for employers that were paying the Living Wage. We spoke to only a very few organisations that were not paying a Living Wage: of these most would be able to but either chose not to due to limited available funds or had not yet put this in place.

We did find people for whom more pay might be important, but many organisations are struggling to cope precisely because of existing funding pressures, which we found can themselves impact negatively on the workforce in terms of stress and overwork.

Childcare and occupational health

Childcare is vital for the work life balance of many workers. Not all workers have access to childcare vouchers, particularly in small organisations. While this is not the only way to support workers with children, and not all workers need subsidised childcare, all Glasgow's third sector organisations should have considered options for supporting their workers in this way and all should ensure that there is full awareness among relevant staff. Where cost is an insurmountable issue organisations might collaborate with other organisations, funders, commissioners, or policy makers to address this as a means of benefitting workers in need and improving organisational sustainability.

We identified some gaps in provision of childcare support and occupational health for those with serious health conditions. Some care needs to be taken in interpreting the evidence around child care as our sample did identify an ageing workforce and may understate this as an issue. Policy makers in the public sector should look at ways to help the sector provide better support. Work could be done to explore options in terms of support to organisations, funding and/or requiring organisations to have policies in such matters as part of an initiative to improve workforce resilience.

We noted that out of a small sample of twelve workers with serious health conditions who were still working, seven were without access to occupational health support (or possibly just unaware of it). While this is not the only way to support workers with serious health conditions, and not all workers with serious health conditions need occupational health support, all Glasgow's third sector organisations should have considered options for supporting their workers this way and all should ensure that there is full awareness among relevant staff. Where cost is an insurmountable issue organisations might collaborate with other organisations, funders, commissioners, or policy makers to address this as a means of benefitting workers in need and improving organisational sustainability.

Consider workforce motivation as an asset

A motivated workforce is an asset that may be enabling the sector to navigate the current environment of financial constraints combined with increasing demand. But this asset cannot be taken for granted by organisations. Different workers will have different 'tipping points' related to stress, overwork and the benefits they get in return (the 'good job' features of flexibility, autonomy, pay, pensions, leave etc).



As many organisations already will, all third sector organisations should consider their potential to have a positive impact on their staff. More organisations should consider reporting on this to their funders or commissioners as part of their social impact.

Summary

We identified a third sector workforce facing considerable stresses, brought about by a combination of reduced funding and increased demand for services. The scale of the sector in Glasgow makes it a hugely significant part of the support for those with a wide range of needs.

Many in the workforce are maintaining their significant motivation despite these pressures, and the jobs provide many of them with terms and conditions they consider fair and many of the features of 'good jobs' in terms of flexibility, autonomy and purpose.

However, we identified a number of organisations and individuals for whom the scale of the pressures was reaching – or had already reached – a 'tipping point', and there are indications that, if the financial and demand trends are sustained, more individuals and organisations may reach this point. This finds expression in demoralisation, illness and absence which in turn affects both the quality and quantity of support provided and the viability of organisations, particularly the smaller and less financially robust organisations.

It is important that funders are aware of these trends and that funders and the third sector work closely together both to maintain a close oversight of these trends and their impact and costs, but also to develop effective ways forward which can sustain the vital role played by the third sector in supporting the most vulnerable citizens in the city.