

The impact of the contract culture on volunteers

As a result of the NHS and Community Care Act (1990), voluntary organisations are increasingly involved in contracts for the development of care services. Many have also seen existing statutory funding agreements formalised and have become subject to tighter service specifications and increased accountability. There have been significant changes in the environment in which large numbers of volunteers work, yet there has been little consideration of the possible impact of the 'contract culture' on volunteers. Research at Manchester University has identified important changes in the role of volunteers in service delivery agencies, which have implications for future participation and voluntary sector governance:

-  The workload, level of responsibility and skills required of volunteers have increased significantly as a result of the development of contracts - particularly for those serving on management committees. Recruitment has become more difficult.
-  The role of volunteers involved in service delivery is becoming more formalised - with more explicit job specification, and increased supervision and training.
-  Many existing volunteers feel that the status and value of their work has increased. However, some expressed concern about the sector's changing identity, the blurring boundary with paid workers and the level of support needed to cope with changing demands on them. There is evidence of increased turnover.
-  The perceived need for 'professional' skills and the formalisation of volunteers' roles limit broad-based participation.
-  Contracting has precipitated small- and medium-sized organisations into a managerial culture in which 'voluntarism' is becoming less relevant. They are increasingly led by senior paid workers rather than by management committees and, although the overall demand for volunteers in other roles has increased, some volunteers have been replaced by paid employees.
-  The researchers conclude that there is a need for policies, purchasing processes and investment strategies which not only ensure service delivery but also enhance, rather than marginalise, the role of the sector in encouraging active citizenship.

Policy context

In recent years, the two main political parties have given increased emphasis to the potential of the voluntary sector, both as a vehicle for solving specific social and economic problems and as a means of encouraging active citizenship.

For many voluntary organisations providing welfare services, one of the most significant changes has been the implementation of the NHS and Community Care Act (1990). Their resultant involvement in contracts for the development of care services has led to increased statutory funding and organisational growth, and a changing relationship with statutory purchasers. Statutory funders have also been concerned more generally to direct financial support for the voluntary sector to their own service priorities and to ensure value for money. Contracts or service agreements have increasingly replaced existing grant aid and voluntary organisations have become exposed to the tighter service specifications, increased accountability and managerialism inherent in the 'contract culture'.

However, despite the involvement of millions of people who regularly volunteer through an organisation every year, and despite the economic value of volunteering and the social value increasingly attached to 'active citizenship', there has been little attempt to evaluate the impact of the development of the contract culture on the role, status and participation of volunteers. This research looks in detail at these issues (see 'About the study' for methodology).

The significance of contracts

Of those organisations which responded in the national survey, 75 had contracts - 199 in total in 1995/96. The majority of contracts were with local authority departments, primarily social services. Two-thirds of contracts were for the provision of day care and domiciliary care. Around 60% of contracts had given rise to increased service provision - either as a result of the development of new services or the expansion of existing ones. Contract fees represented three-fifths of their total income and were expected to increase by 12% in the following year. These organisations were very dependent on contracts but only one-third were three-year agreements. As many as 40% were for just one year. Although contracts remained an uncertain and even short-term source of funding, they had led to fundamental changes in the work of volunteers.

The impact on management committees

Contracts have had profound implications for management committee members, and particularly for honorary officers (see Table 1). Around 80% of chief officers reported that the workload and level of responsibility of these members had increased significantly.

Four-fifths of chief officers also reported that

Table 1: Impact of Contracts on Voluntary Management Committee Members (National Survey)

	Honorary Officers	Other Members
Role has changed (greatly)	81% (30%)	65% (17%)
Workload has increased (greatly)	81% (38%)	62% (17%)
Responsibility increased (greatly)	86% (54%)	67% (35%)

contracting called for new skills on the part of management committee members, most frequently in financial management, business planning and development. The majority of organisations were tackling this not only by offering increased training opportunities but also (in 80% of agencies) by selective recruitment strategies - head-hunting volunteers with particular professional skills. Two-thirds of chief officers reported that contracts have made recruitment more difficult or they anticipated it will do so in the future.

The skills demanded by contracting and resultant selective recruitment of committee members have implications beyond satisfying the operational needs of the organisation. The 'professionalising' of management committees precludes wider participation. Around half of those organisations with contracts anticipated that some social groups would be under-represented in future.

Finally, and despite these increased operational demands made on management committee volunteers, three-quarters of organisations involved in contracts report that they are increasingly led in practice by their paid workers rather than by management committees. Many see this as a long-term phenomenon. The unpaid voluntary management committee, however, is a defining characteristic of a voluntary organisation; this trend therefore raises fundamental questions about governance and the status of voluntarism in contracting organisations.

The impact on service delivery volunteers

The national survey suggests that contracts have given rise to an increased level of demand for volunteers. However, this is a more complex issue than it appears at first. Almost half the chief officers reported that one effect of contracts has also been to make services more dependent on paid workers, with two-fifths identifying some replacement of volunteers by paid workers. Many indicated that this was necessary in order to guarantee service levels.

Nevertheless there is evidence from the volunteer survey that those directly involved in contract services have seen their workload and level of responsibility increase - although this is less widespread than for volunteers on management committees. In addition the role of service volunteers is becoming increasingly formalised as an indirect result of the development of contracts - their role has become more tightly specified and there is increased supervision and performance review. More than half the chief officers replied that the level of training for volunteers had also increased significantly.

The long-term impact on motivation and satisfaction

There is some initial evidence of increased satisfaction and motivation amongst volunteers who find that their level of responsibility and status has increased or that training, job specification and supervision have improved their skills and confidence. The postal survey of volunteers revealed that two-fifths of all respondents felt that the status and value of their work had increased in the past three years; just over half the total reported increased satisfaction. Some volunteers, however, have expressed concern that the flexibility and autonomy which are essential characteristics of volunteering should not be eroded by formalisation and the demands on them. Others have already become demotivated - 15% of chief officers report increased turnover of service volunteers as a result of the development of contracts. Similarly 17% reported the resignation of management committee members.

Three further factors emerged from the volunteer interviews as posing particular challenges if volunteers are not to become disillusioned and demotivated. These relate firstly to the identity of the organisation and its perceived independence from the statutory sector; secondly to the extent to which formalisation blurs the boundary between volunteering and paid work, and the potential for growing resentment among volunteers; and thirdly to the extent to which volunteers receive sufficient support to meet the increased demands placed upon them. The research has shown that although the

costs of recruiting, training and supporting volunteers have increased, in many cases these increased costs are not met by contract fees. Although statutory purchasers see such costs as legitimate, in practice volunteer issues are (almost) invisible in contract specification and negotiation. Purchasers report a lack of concern with 'inputs' into service delivery and a focus on 'outputs'. Voluntary organisations perhaps collude in this - being concerned that they cannot legislate for volunteers in the same ways as for paid workers or hoping to insulate volunteers from an awareness of contracts and their direct impact.

Conclusions

The contract culture is changing the role and relevance of volunteers in varied and complex ways. Their role is becoming more skilled and formalised and chief officers anticipate that the long-term impact will be to enhance the status and value of volunteers. Many existing volunteers report increased satisfaction. At the same time, however, voluntary agencies are increasingly led by paid workers rather than management committees - with important implications for governance; paid workers are replacing some service volunteers, despite the overall increase in the numbers of volunteers involved; there is little substantive reference to volunteers in contract specifications; the increased costs of training and support are not fully reflected in contract fees; during negotiation of the majority of contracts there had been no discussion with service volunteers; and for existing volunteers the balance between the costs and benefits of volunteering may be precarious.

Statutory purchasers suggest that in the larger voluntary organisations involved in contracting, volunteers have long seemed irrelevant. The contract culture, however, has now precipitated many smaller organisations into a narrower service-oriented role and a managerial environment. The needs and expectations of volunteers themselves, their diversity and the contribution which this makes, and the role of the voluntary sector in the maintenance and development of social sustainability have become secondary.

The researchers conclude that there is a need at national and local level for investment in the wider role of the voluntary sector and for coherent and integrated policies which are underpinned by a greater understanding of volunteering, its significance to volunteers and its broader social value. The voluntary sector must re-affirm and defend its developmental role and the importance of active citizenship.

About the study

There were three dimensions to the study:

Case study research in 15 voluntary organisations providing a range of services for older people or children and families. It included a survey of 275 volunteers and interviews with a sub-sample of 70 volunteers.

A survey of member branches of a voluntary organisation providing services for older people in England and Wales (with 126 responses).

These organisations were small to medium in size. The 75 organisations with contracts had a median income of £150,000. Altogether they employed under 400 full-time staff, 1,000 part-time staff and around 10,500 volunteers.

Individual interviews and a workshop with a sample of senior managers in statutory agencies responsible for purchasing services and negotiating contracts.

Voluntary organisations have experienced a number of important changes in the last decade. Increased regulation, the Charities Act, the Children Act and so on have influenced the environment in which volunteers work. Respondents were therefore asked to specifically consider the particular effects of contracts. The term contract includes 'service (level) agreements'. They each specify purposes, inputs, outputs and processes with greater formality than grant aid, and may be legally enforceable.

Further information

The full report by Lynne Russell and Duncan Scott can be obtained from the Department of Social Policy and Social Work, University of Manchester, Oxford Road, Manchester M13 9PL, price £10 (or £8 to smaller voluntary organisations, community groups and individuals on low incomes) to include p&p. (Please make cheques payable to the University of Manchester.)

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- 74 Mixed fortunes: the funding of the voluntary sector (Mar 95)
- 75 The determinants of volunteering (Mar 95)
- 76 Managing the voluntary sector (Apr 95)
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