Chapter 8
Learning for Purpose: Challenges and Opportunities for Human Capital Development in the Social Sector

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> Learning is not attained by chance.
> It must be sought for with ardour and attended to with diligence.
> —Abigal Adams

Social sector organizations (SSO) provide services and support that are diverse and complicated, and often in the fields where private and public entities are not able or willing to engage—they shape and sustain an attractive and functional society. Meanwhile, SSOs are held more accountable to deliver better quality services, whilst being forced to adapt to heightened regulatory compliance and policy uncertainty, develop complex strategies, compete for limited resources and clients, navigate collaborations or mergers, seek balanced work load and fair pay, address multiple public and private stakeholders, manage shifting volunteer and donor preferences, and face increased costs and fiscal restraints (ACOSS, 2013; Cunningham, Baines, & Charlesworth, 2014; Deloitte, 2012; Kong, 2008; Suárez, 2010).

SSOs must address these issues through their human capital: the knowledge, skills, abilities, experiences, personalities, and interests embodied in the employees and volunteers seeking to realize social change (Ployhart & Moliterno, 2011). They can perform to the maximum when their competence is consistent with the work demands and the organizational requirements (Boyatzis, 2008; Leitch, 2006). That is, the right knowledge, skills, and abilities make employees and volunteers more effective in their jobs, which, in turn, facilitates organizational resilience and success (Crook, Todd, Combs, Woehr, & Ketchen, 2011; Jiang, Lepak, Hu, & Baer, 2012). Even minor changes in productivity and performance can have significant positive impact on social problems (Bradley, Jansen, & Silverman, 2003).

Accordingly, the ability of the social sector to respond to complex challenges effectively rests on the strategies, policies, and practices that affect the capability of its people. The question of how to gain and sustain this crucial human capital for the social sector thus increasingly occupies the attention of managers, policy makers,

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funders, training providers, and researchers. In the broad context of strategic human resource management, one can decide to buy (i.e., sign), borrow (i.e., contract), or build (i.e., develop) human capital. This chapter focuses on the latter.

The aim of this chapter is to demonstrate that developing human capital is not mysterious, accidental, or something that can be postponed. Instead, human capital development ought to be considered as a strategic and deliberate activity of the social sector. By integrating evidence from the US, Canada, UK, and Australia, the present chapter argues that there is considerable need and scope to improve the understanding and management of human capital development so that SSOs can fully realize their mission and community objectives.

The chapter is selective and illustrative; it complements other excellent reviews on the social sector (Anheier, 2009, 2014; Galera & Borzaga, 2009; Mintzberg, 2015; Salamon, Sokolowski, Megan, & Rice, 2013) and its human capital (Carson, Maher, & King, 2007; Earles, Lynn, & Sciences, 2010; HR Council for the Voluntary and Non-profit Sector, 2008; Kong, 2007; Lawson, 2008; McIsaac, Park, & Toupin, 2013; McMullen & Schellenberg, 2003). What follows integrates practical relevant knowledge, scholarly findings, and emerging debates on human capital development as it relates to the social sector.

To provide the necessary background, the concept and importance of human capital and its development is reviewed. It is consequently argued that all social sector stakeholders need to (1) revisit the key competencies required in the social sector (i.e., What has to be learned?), (2) rethink approaches of work learning (i.e., How to go about developing the key competencies?), and (3) revise the underlying funding models (i.e., What actions by whom can facilitate this?). The conclusion provides some summative calls to action for practitioners and scholars.

Human Capital and Its Development in the Social Sector

Human capital comprises the full range of workers' cognitive features, such as general cognitive ability, knowledge, skills, and experience, as well as non-cognitive features, including personality, values, and interests (Ployhart & Moliterno, 2011). Depending on their configuration, some of these characteristics may be considered context generic, whereby they are broadly applicable outside the organization (e.g., transferable skills), or context specific, so that they have limited applicability elsewhere (e.g., proprietary knowledge) (Campbell, Coff, & Kryscynski, 2012). Accordingly, human capital is not simply an aggregate headcount of transactional human resources (i.e., someone to do the job), but rather the transformational product of workers' multiple psychological attributes. Human capital is thus viewed as a particular class of resource that can be a significant driver of organizational viability and success (Nyberg, Moliterno, Hale, & Lepak, 2014; Wright, Dunford, & Snell, 2001).

Indeed, a recent meta-analytic research spanning sixty-six studies concludes that human capital relates strongly and positively to organizational performance (Crook et al., 2011). A growing body of evidence supports the positive relationship

between strategic human resource management and multiple favorable organizational outcomes. For example, a recent global study of over 1000 organizations found that organizations that do well in attracting, motivating, developing, and retaining staff, enjoy better overall and economic performance than organizations that are weaker in those areas (Benson-Armer, Otto, & Webster, 2015). Accordingly, because other firm-level resources such as economic capital (i.e., financial and tangible assets such as equipment) can often be easily imitated; human capital has become the most important competitive and economic driver for many industries and organizations (Huselid & Becker, 2011).

Furthermore, skill-enhancing, motivation-enhancing, and opportunity-enhancing organizational practices constitute so called "High Performance Work Systems" (HPWS; Huselid, 1995; Posthuma, Campion, Masimova, & Campion, 2013). This construct has been studied in the social sector context; for example, non-profit organizations adopting HPWS demonstrated higher employee satisfaction and performance (Selden & Sowa, 2014) and social impact (Wenzel, 2015). Indeed, instead of simply managing benefits, compensation, and compliance from the distance, the human resource function and its officers are increasingly required to adopt more integral roles that closely align with, support, and shape an organization's strategy and success (Barney & Wright, 1997; Buller & McEvoy, 2012; Wright & Collins, 2008).

More generally, a meta-analysis based on 120 samples that represent 31,463 organizations found HPWS to be positively related to human capital (i.e., employees' knowledge, skills, and abilities) (Coff, 2002); employee motivation (the direction, intensity, and duration of employees' effort) (Kanfer, Chen, & Pritchard, 2008); and financial and operational outcomes (Jiang et al., 2012). Findings further indicate that skill-enhancing practices have the strongest relationship with what employees are capable to contribute. In other words, it is fair to say that strategically well aligned and implemented human capital development will lead to multiple positive effects for individuals, organizations, and society (Aguinis & Kraiger, 2009). Moreover, there are additional reasons for why the social sector crucially needs to focus on developing its human capital.

First, the world is changing in a variety of complex ways. The social sector does not operate in isolation, as it is affected by more general economic, technological, and social trends, for example: a volatile economy and labor market, increased globalization and mobility, ongoing developments in information and communications technologies, growing emphasis on measurement and data-driven decision making, complex and changing organizational structures, issues that require team- and collaboration-based solutions, increasingly diverse workforce, employees who seek a broader mix of total rewards and growth, highly diffused and cognitively demanding work means and outcomes, reduced supervision, and continuously changing jobs (Frese, 2008; Grant & Parker, 2009; Halpern, 2006; SHRM Foundation and The Economist Intelligence Unit Limited, 2014; Stone & Deadrick, 2015). Those changes bring about the need for continuous professional development.

Second, specific capabilities are required by individuals and organizations to succeed in the changing work and societal contexts. To illustrate, the fiscal environment of the social sector is changing significantly. Many SSOs are painfully realizing that the

hamster wheel of chasing scattered donor appeals and external grants is not working any longer. As the output of those sources is dwindling, there is an increasing shift from fundraising to financing. It thus has been argued that SSOs need to improve both effectiveness and efficiency by better leveraging their rich and existing assets (CCA, 2014). This may involve improving operations, outcome measurement, and risk management; strategizing social entrepreneurship and mergers; and leading collaborations and people. In Australia, a governmental think tank concluded about the nonprofit sector: "board members may lack the skills required to conduct their duties. Similarly, management in the sector is often made up of service delivery employees looking for career advancement who may not necessarily have sufficient management skills" (Productivity Commission, 2010). Ultimately, this changing context necessitates awareness and expertise of new concepts and complexity, alongside the ability to derive and implement sophisticated solutions that can differ markedly from what might have worked well just some years ago (Bernholz, 2015).

Third, finding and attracting the right people is a challenge. The social sector continues its impressive growth, and this requires more staff, funding, leadership, governance, partnerships, and professionalism in multiple functions (Hwang & Powell, 2009). All of the above factors quickly exceed the passion, capacity, and dedication of the initial founders and supporters (Bodary, King, Moir, Schaps, & Schoenbach, 2009; Bradach & Grindle, 2014; GEO, 2012). Meanwhile, a global shortage of skilled workers is one of the principal concerns for the foreseeable future (Tanton, Phillips, Corliss, Vidyattama, & Hansnata, 2014). Current labor market trends include increased global competition for talent, higher demand for specialized jobs, and a changing demographic of the current workforce with many skilled people about to retire and the new generation of employees being more "sector-agnostic" (Earles et al., 2010; Edelman, 2015; SHRM Foundation, 2014). As a result, SSOs have to progressively compete with public and private organizations to resource the talent that will ensure their mission success (Tierney, 2006).

Taken together, whilst some SSOs clearly do well, there are signs that suggest many may not be sufficiently equipped to meet current and future challenges. There is evidence that those working and volunteering for SSOs ought to constantly become more adept at developing and managing new services, processes, and ways of doing things. The social sector also has to better leverage, and thus develop, the people working in it and those who intend to join it. All of the above suggests that developing human capital is critical. To successfully move the social sector forward, the case is made to (1) revisit key competencies, (2) rethink work learning, and (3) revise funding models.

Revisit Key Competencies

Competencies are understood as the prerequisites to fulfill the demands of a particular professional role (Boyatzis, 2008). The term "competence" is used as an aggregate label for any combination of interrelated cognitive, affective, and behavioral capacities including factual and procedural knowledge, mental models,

self-regulation, metacognitions, action routines, and personal qualities such as values, beliefs, attitudes, motivations, and emotions (Kraiger, Ford, & Salas, 1993; Weinert, 2001). These components are mobilized for effective cognitive, functional, and social action in a particular work context (Le Deist & Winterton, 2005). Accordingly, competence as a holistic abstraction is useful for a broader discussion about what individuals in the social sector are expected to achieve as a result, in an event, or in a way of behaving at work.

The prefix *key* denotes those competencies with strategic, and thus, social impact, displaying high variability in the performance of incumbents (Cappelli & Keller, 2014; Huselid, Beatty, & Becker, 2005). Developing such key competencies has the greatest potential to generate significant returns through increasing revenue or decreasing costs, thus representing an upside potential (Boudreau & Ramstad, 2007; Cascio & Boudreau, 2010). Traditionally, executive-level and leadership competencies were considered as key. However, more recent workforce differentiation literature suggests that key competencies are to be found anywhere (Cappelli & Keller, 2014; Huselid & Becker, 2011), and include, for instance, social media skills to engage donors and volunteers, strategic thinking for non-executive directors, and the ability to conduct social research for evaluating and demonstrating the effects of programs and services.

However, there is no overarching framework for social sector key competencies, and this defies effective human capital development. Whilst the private, public, and nonprofit sector share some similarities, and certain industry profiles overlap, the social sector at large is fairly distinct in its purposes and needs. Indeed, given the state of SSOs today, it is prudent to understand them as distinctive yet similar institutions, despite their many differences, to be represented, serviced, and studied as a group (Salamon, 2012). Therefore, although a number of organizational roles and responsibilities are of universal nature, social sector endeavors can command unique competence demands. For instance, many nonprofit organizations operate within a fragmented and complex system, comprising a governing board, community representatives, client base, contractual relations with government and business, volunteer and membership components, numerous funders, and service providers. It has been shown that those stakeholders require distinct management and leadership approaches (Bish & Becker, 2015; Dempsey, 2015; Myers, 2004; Nonprofit Leadership Alliance, 2011; Schwartz & Austin, 2008; Thach & Thompson, 2007), while the legal, technical, and operational features can be fairly idiosyncratic (Anheier, 2000; Cornforth, 2003; Jegers, 2008).

As an example, nonprofit directors require a wider range of skills than for-profit directors (Gilchrist, 2012; Steane & Christie, 2001), including strategic campaigning and ability to work on multiple bottom lines (Kanter & Summers, 1994). Relatedly, people management skills become ever more critical to mission success. Though this might be true for the success of any organization, SSO leaders face some idiosyncratic challenges, for instance: "you're always, always, always fundraising and you haven't got much time, and I think that people management is critical because they're not getting paid much and you need to really look after them" (Dempsey, 2015).

Developing a competence framework for the social sector is crucial so that founders, executives, funders, policy makers, human resource managers, training providers, scholars, among others, can better align human capital with the purposes and strategic needs of SSOs. Such framework could be used to determine workforce needs and to assess how the current and anticipated future workforce compares to these requirements. This in turn enables evidence-based strategies for establishing human capital, including recruitment plans, specific training activities, performance management, tertiary curricula, and broader capacity development schemes. It will also assist those currently working in the sector seeking to enhance their capability and progress their careers, as well as aid individuals seeking to enter the social sector to become aware of the key competence requirements.

What is needed are standardized and social sector-specific competence descriptors that promote systematic SSO workforce planning, recruitment, and development. It is not argued to over-regulate social sector jurisdictions by introducing more legislated occupations that restrict access to and the exercise of a work role on the basis of some professional qualifications. Instead, practitioners and researchers should agree on common means for identifying, describing, and presenting valid, reliable information about social sector competencies. The primary goal is a meaningful "lexicon" with which stakeholders can inform the debate and measurement on a given key competence or role and the associated values and relationships within their organization and the purpose it serves (Bolden & Gosling, 2004).

One example of such competence framework is O*NET; developed at the dawn of the new millennium, it is arguably the most complex occupational information system that allows users to look at job profiles through different windows (Peterson, Borman, & Mumford, 1999, Peterson et al., 2001). Surprisingly, although the database has expanded in the recent decades, it contains very little designated information on many typical social sector responsibilities. The underlying data is also US centric and the framework may be considered too complex to be useful for small SSOs and human capital related functions. Nevertheless, a deliberately detailed example of a key competence description from the O*NET, and arguably the only one immediately relevant to the social sector, is provided in Table 8.1: fundraising. The key tasks do not operate independently of each other but are interrelated and may be configured differently as a function of a given SSO context and the actual job responsibility. A typical O*NET description would further provide details about tools and technology used; certain knowledge, skills, and abilities required; and representative work activities and contexts (not included in Table 8.1). Such taxonomic detail is useful to understand what responsibilities might be strategically meaningful, to describe what must be accomplished by the incumbents, to define the *ideal* and to measure *what is*, and then to design respective human capital interventions that address the identified gaps.

Another framework is the UK-based National Occupational Standards (NOS) which provides statements of the standards of performance individuals must achieve when carrying out functions in the workplace, together with specifications of the underpinning knowledge and understanding. Again, the NOS comprises very little designated information on more specific social sector responsibilities, with the

Table 8.1 O*NET summary report for fundraisers (Open source document)

Key tasks involve:
• Identify and build relationships with potential donors. See more occupations related to this task
• Write and send letters of thanks to donors. See more occupations related to this task
• Secure commitments of participation or donation from individuals or corporate donors. See more occupations related to this task
• Develop fundraising activity plans that maximize participation or contributions and minimize costs. See more occupations related to this task
• Develop strategies to encourage new or increased contributions. See more occupations related to this task
• Create or update donor databases. See more occupations related to this task
• Direct or supervise fundraising staff, including volunteer staff members. See more occupations related to this task
• Develop or implement fundraising activities, such as annual giving campaigns or direct mail programs. See more occupations related to this task
• Solicit cash or in-kind donations or sponsorships from individual, business, or government donors. See more occupations related to this task
• Monitor progress of fundraising drives. See more occupations related to this task
• Conduct research to identify the goals, net worth, history of charitable donations, or other data related to potential donors, potential investors, or general donor markets. See more occupations related to this task
• Compile or develop materials to submit to granting or other funding organizations. See more occupations related to this task
• Establish fundraising or participation goals for special events or specified time periods. See more occupations related to this task
• Monitor budgets, expense reports, or other financial data for fundraising organizations. See more occupations related to this task
• Contact corporate representatives, government officials, or community leaders to increase awareness of organizational causes, activities, or needs. See more occupations related to this task
• Recruit sponsors, participants, or volunteers for fundraising events. See more occupations related to this task
• Write reports or prepare presentations to communicate fundraising program data. See more occupations related to this task
• Design or produce materials such as posters, Web sites, or newsletters to promote, market, or advertise fundraising events. See more occupations related to this task
• Write speeches, press releases, or other promotional materials to increase awareness of the causes, missions, or goals of organizations seeking funds. See more occupations related to this task
• Explain the tax advantages of contributions to potential donors. See more occupations related to this task
• Plan and direct special events for fundraising, such as silent auctions, dances, golf events, or walks. See more occupations related to this task
• Attend community events, meetings, or conferences to promote organizational goals or solicit donations or sponsorships. See more occupations related to this task
• Direct or coordinate web-based fundraising activities, such as online auctions or donation Web sites
Organize activities to raise funds or otherwise solicit and gather monetary donations or other gifts for an organization. May design and produce promotional materials. May also raise awareness of the organization's work, goals, and financial needs

Table 8.2 NOS overview for managing volunteers (Open source document)

Knowledge and understanding: promote volunteering to potential volunteers (extract)
You need to know and understand:
Analytical and research techniques: how to identify the types of people who may wish to volunteer their services; methods of identifying people's motivations, and how to select and use appropriate methods
Communication: the principles of effective communication and how to apply them; methods of communicating with potential volunteers, and how to select and use appropriate methods
Diversity and equality: the value of diversity of abilities, styles and motivations amongst volunteers, and how to foster such diversity
Involvement and motivation: the basic principles of motivation and how they apply to your work; how to help people articulate their motivations and understand how volunteering can meet their evolving needs and expectations; the importance of encouraging volunteers to extend their volunteer roles, and how to do so; the importance of getting informed feedback from people, and how to do so
Legal requirements: legislation relevant to the recruitment of volunteers
Organizational context: your organization's goals; your organization's policies; your organization's wider activities in which volunteers could be involved
Resource management: the importance of ensuring communication methods is cost- and time-effective
Volunteering: the importance of volunteering in meeting your organization's goals; the variety of different roles volunteers can fulfil and the different ways they can contribute to organizational goals; the range of abilities, styles, and motivations volunteers have, and how these affect the types of roles and activities they carry out; the volunteering opportunities available; the benefits volunteers derive from volunteering; the type of commitment volunteers need to make; opportunities for people to make a commitment to becoming a volunteer (e.g., verbal commitment, completion of an application form, signing volunteering agreement or code of conduct); other volunteering organizations to which it may be appropriate to refer volunteers; details about particular volunteer roles that volunteers need to know
The ability to motivate people is a key quality for every manager of volunteers. If you are responsible for the recruitment and management of volunteers in your organization, or your part of your organization, you will find that this unit focuses on the nature of your relationship with volunteers, from before they make a volunteering commitment, throughout their time with your organization, to beyond the conclusion of their formal volunteering agreement

exception on *managing volunteers* (Table 8.2 shows extract on promoting volunteering only).

Both examples illustrate how the social sector can define its key competencies more systematically so that all stakeholders can consistently work with these descriptors. Such framework should include competencies that relate to social sector strategy; governance; leadership and management of employees and volunteers; program and service design; impact measurement and evaluation; risk management and legal issues; enlisting funding; financial management and accounting; integrated reporting; attracting, developing, retaining talent; information and technology management; community outreach and marketing; advocacy and public policy; ethics; diversity; to name a few (Dolan, 2002; Nonprofit Leadership Alliance, 2011).

Key competencies for a specific SSO will be determined by its strategy and structure, the underlying business or funding model, and the wider context of the purpose it addresses. Practitioners ought to discuss and define what competencies directly and indirectly facilitate social change both within their SSO and across the social sector. In consultation with funders, government bodies, and learning providers, there should be a clear articulation and understanding of the key competencies required. All stakeholders should not simply assume that certain roles and competencies are of strategic nature, but rather articulate a theory of change: the building blocks, processes, and assumptions that explain the causal linkages. Namely, when analyzing and articulating a key competence, the following needs to be considered: How does this specific competence relate to achieving the overall mission? How will improving this competence facilitate increased organizational viability and more social change? Scholars should assist in this process by investigating the theoretical underpinning and empirically validating the taxonomy that allows more systematic engagement with social sector human capital.

In summary, it is important to develop a meaningful framework of key competencies that directly aid SSO in achieving their objectives. However, revisiting those key competencies only addresses the question of *what* should be learned. The next section addresses how the social sector might achieve the necessary learning outcomes.

Rethink Work Learning

Developing a competence involves learning (Fiol & Lyles, 1985), which can be achieved by an individual via multiple means (Sonnentag, Niessen, & Ohly, 2004). Formal learning typically refers to organized, episodic, instructor-led activities (e.g., training), and informal learning typically refers to activities that are amorphous (e.g., learning by experience) or self-directed (e.g., on-demand reading). Research has consistently demonstrated the positive effects of both formal learning activities (Aguinis & Kraiger, 2009; Cedefop, 2011), and informal learning activities (Eraut & Hirsh, 2007; Tannenbaum, Beard, McNall, & Salas, 2010) on individual and organizational performance. However, this traditional dichotomy of formal and informal learning as it relates to work is too simplistic for how learning to perform is conceptualized, managed, and researched (Billett, 2002; Kyndt & Baert, 2013; Noe, Clarke, & Klein, 2014; Segers & Gegenfurtner, 2013). First, the most heavily invested in human capital development method is instructor-led training; in 2013, about $164.2 billion had been spent on this type of formal learning in the US alone (Miller, 2013). Yet, informal learning opportunities occur frequently and can be equally valuable to individuals and organization (Watkins & Marsick, 1992) as more formal work learning (Birdi, Allan, & Warr, 1997). Given much of the social sector has very limited, if not scarce resources to allocate towards human capital development, employing more informal learning means over costly formal training interventions might be an advantageous and reasonable

solution. For instance, knowledge sharing, secondments, self-directed study, and information curation are extremely potent means to develop human capital (Eraut, 2004; Wang & Noe, 2010). However, without proper organizational learning cultures and structures, this type of informal, unscheduled, and often accidental learning can also become a waste of time, create problems in the workflow, and bring little tangible benefits.

Second, a popular approach in human resource development, termed the "70:20:10 model," argues that individual learning is a result of 70 % of informal on-the-job learning, 20 % of coaching and mentoring, and 10 % of formal learning interventions. Though intuitively appealing, a recent review concluded that "it is clear that there is a lack of empirical data supporting 70:20:10 and… there is also a lack of certainty about the origin" (Kajewski & Madsen, 2013, p. 3). Indeed, even when considering the proportions as mere approximations, the proposed ratio is perplexing as varying types of competencies and worker characteristics suggest a need for multiple distinct learning experience configurations to be most effective. Meanwhile, this type of scholarly invalidated frameworks are promoted in prominent practitioner literature (e.g., Kramer & Nayak, 2013; Maw, 2014; Rabin, 2014), and thus could affect the allocation and effectiveness of limited resources such as time, energy, and money.

Third, broader societal and technological trends dictate the new ways of organizing life and work, which produce ubiquitous learning opportunities, promote the blending of different learning modes, and bring immediacy to and require continuity from learning and development (Maurer & Weiss, 2010; Paton, Mordaunt, & Cornforth, 2007; Sonnentag et al., 2004). Therefore, considering formal and informal learning as discrete categories seems to create a misunderstanding about the nature of learning itself. Instead, it is more accurate to conceive "formality" and "informality" as attributes present in all circumstances of learning (Colley, Hodkinson, & Malcom, 2003). Accordingly, workers increasingly craft and undergo hybrid learning experiences that may be more or less deliberate or opportune, episodic or continuous, fundamental or incremental, explicit or tacit, and so on. Table 8.3 illustrates the spectrum of potentially available learning experiences.

For the social sector to gain and sustain the required key competencies, leaders, workers, volunteers, human resource functions, and organizations ought to understand human capital development in a broad sense by incorporating many, if not most, of the learning experiences exemplified in Table 8.3 and avoiding an overly bias towards only few of these learning forms. Much conventional thinking on learning is set to fail because it is based on conditions that no longer prevail in modern organizations. There must be a shift from intuition-driven and ad hoc mechanisms to intentional approaches for human capital development. Available empirical evidence must play a much larger role in the formulation of learning strategy and tactics. At the same time, there is a lack of empirical knowledge about the most optimal use of the scarce resources for developing the social sector workforce. The mechanisms underlying decisions about the allocation of time, energy, and money towards human capital development is poorly understood, and arguably is driven by myths and tradition. At best, there is a number of promoted best practices, though their origin

Table 8.3 An overview of work learning experiences

• Training
• Seminars, workshops
• Webinars
• Conferences
• Coaching
• Mentoring
• Shadowing
• Secondments
• Job rotation
• Fellowships
• Sabbaticals
• Internships
• Experiential learning
• Action learning
• Special assignments
• Games, simulations
• On-the-job training
• Learning by doing
• Performance reviews
• Feedback seeking
• Self-directed media consumption (literature, videos)
• Knowledge sharing
• Social interaction
• Reflection

and generalizability have to be carefully evaluated. Therefore, systematic, robust research can make significant contributions and assist the social sector in becoming more efficient and effective in developing its human capital.

Nevertheless, and irrespective of the learning mode involved, research has identified a number of crucial factors that enable learning for, at, and during work to take place, to stick, and to be applied to meaningful ends. In fact, there is a science of learning as it relates to work (Blume, Ford, Baldwin, & Huang, 2010; Cerasoli, Alliger, Donsbach, Mathieu, & Orvis, 2014; Kyndt & Baert, 2013; Kyndt, Dochy, & Nijs, 2009; Salas, Tannenbaum, Kraiger, & Smith-Jentsch, 2012), and social sector practitioners and decision makers ought to use it. Although each situation is unique and circumstances are ever changing, effective human capital development starts and ends by considering the person learning to perform and his or her work experience. That is, successful human capital development is best understood as a function of a system of influences, in which centrally the SSO employee or volunteer determines the way learning opportunities will be experienced, what will be relevant, and how the processes changing knowledge and skills will unfold. Those systemic influences comprise stakeholders and processes nested in the work and learning environment, as well as the learners themselves. Each of these elements

carries a range of characteristics, which interact before, on entry, during, on exit, and after a given learning experience (Wenzel & Cordery, 2014).

A central aspect within this system is the individuals' motivation to learn, which will produce changes in their thoughts, actions, and feelings at work. An overwhelming body of evidence suggests that motivation and closely associated constructs play a key role in whether, how much, and for how long people engage in certain activities, including learning for and performing at work (Blume et al., 2010; Colquitt, LePine, & Noe, 2000; Foss, Minbaeva, Pedersen, & Reinholt, 2009; Kanfer et al., 2008). Consequently, with very few exceptions, the ideal learning experience is one voluntarily initiated, sustained, and transferred by the worker (Hurtz & Williams, 2009).

Self-efficacy is consistently found to be important for an employee's learning intentions, learning outcomes, and the transfer of new knowledge and skills learned to the workplace (Blume et al., 2010; Grossman & Salas, 2011; Sitzmann & Ely, 2011). That is, an individual must believe in his or her own capacity to master the multiple challenges associated with learning, such as extra workload, new concepts to be understood, uncertain outcomes, increased responsibility, and doing things differently at work. Whilst people may have different levels of self-efficacy, it is a malleable psychological feature and so supervisors, peers, and instructors can influence the level of self-efficacy among learners. For example, someone's self-efficacy can be positively influenced through learning design factors, such as task mastery, social persuasion, constructive and timely feedback, as well as work experiences that produce physiological or psychological arousal so that people leave their comfort zones (Bandura, 1997; Eccles & Wigfield, 2002). To induce confidence managers may also model how new desirable behavior looks like, refer to learners' past achievements, encourage early errors in a safe environment, and show trust in cognitive abilities (Keith & Frese, 2008; Kozlowski et al., 2001). In short, social sector employees and volunteers must believe that they can successfully learn and this has to be facilitated.

In addition, social sector workers must have a reason to learn. Research shows that people must appreciate the relevance, utility, and importance of a given learning experience to be motivated to learn (Eccles & Wigfield, 2002). In other words, people are substantially more inclined to pursue learning experiences when they recognize the importance of change and the desired outcome such as achieving higher work performance, career progression, or social impact (Chiaburu & Lindsay, 2008; Vroom, 1964). Accordingly, human resource policies and practices need to serve as a communication channel that signals employees what is important (Guest, 2011), while supervisors must convey a sense of meaningful returns on exerted learning efforts (Chiaburu, 2010; Lancaster & Milia, 2012). This "What is in it for me?" question may be addressed by linking learning and change to enhanced performance and work quality, improved beneficiary-lives, increased job responsibility, career progression, well-being, recognition at work, personal growth and so on. It may also be discussed how learning experiences fit into the Big Picture comprising organizational strategy, legal obligations, social change etc. Moreover, learners may be provided with clear goals and expectations about what

shall change, subsequently held accountable to demonstrate new skills at work, and also be encouraged to share new knowledge with peers.

Furthermore, a worker might be confident about and appreciative of learning opportunities but not feel energized to engage with learning (Parker, Bindl, & Strauss, 2010). Research shows that positive affect has a positive impact on the individuals' engagement with new experiences (Seo, Barrett, & Bartunek, 2004). From a neuropsychological perspective, positive affect is associated with increased brain dopamine levels, which in turn have been found to improve cognitive flexibility (Ashby, Isen, & Turken, 1999) that fosters engagement with more challenging goals and futures (Oettingen, Mayer, Thorpe, 2005). Given that learning and applying new knowledge and skills is a challenging endeavor, it is crucial to create a genuinely positive working and learning environment, characterized by humor, encouragement, and enthusiasm, so as to generate heightened keenness and mental readiness for learning and change. This may be realized by providing learners with optimistic previews of the learning experience and by accentuating highlights (Karl & Ungsrithong, 1992). One may also use positive language (e.g., growing) as opposed to a deficit terminology (e.g., fixing) when communicating about learning interventions. Also, learners experience a sense of flow and joy when the learning process is immersive and interesting, for instance by addressing all senses using visuals, acoustics, aesthetics, and physical activity (Kraiger, Billings, & Isen, 1989; Machin & Fogarty, 2004).

What is more, it has to be clearly determined what needs to be learned, who needs to learn, and which organizational priority learning addresses (Coultas, Grossman, & Salas, 2012). This requires strategic human resource management practices that make use of systematic skill needs analysis, talent pipeline development, and the identification and nurturing of top performers (Aguinis & O'Boyle, 2014; Torraco & Swanson, 1995). It then has to be decided which configuration and sequence of learning experiences might be best suited to achieve intended outcomes, given available resources and constraints. Further, it should be determined whether the work environment is supportive of or hinders the desired outcomes of learning. An open conversation between supervisors, peers, and learner should address expectations, constraints, and implementation to maximize the benefits of a given learning experience.

Importantly, new learning is fragile. People that undergo learning experiences need to be given the time and support to implement what was learned. For instance, a person returning from an external training should be given an opportunity to try and utilize the acquired knowledge, and not just frantically catch up with all the work that remained unattended. Also, it has to be ensured that the essential work resources (e.g., tools) and opportunities (e.g., tasks) are available, so learners can actually apply what was leaned.

Rethinking work learning is a multipronged endeavor, and SSOs should provide strategic leadership to create continuous learning opportunities, promote inquiry and dialogue, encourage collaboration and team learning, and empower people toward a collective vision (see Yang, Watkins, & Marsick, 2004). For instance, SSO leaders have to make sure people can openly discuss errors in order to learn

from them (van Dyck, Frese, Baer, & Sonnentag, 2005). This involves encouraging an open and honest feedback culture, where issues and problems are viewed as an opportunity to learn and improve. It further means that people in such organizations are rewarded for exploring new ways of working, for example by recognizing initiative taking through badges and making them subject champions (Bess, Perkins, & McCown, 2011; Marsick & Watkins, 2003; for more examples and case studies see Gephart & Marsick, 2016).

In summary, because the world of work and learning is changing, it is important to rethink the management of and research on human capital development in SSOs as an integrated and broad spectrum of learning experiences. There is no magic bullet—real progress requires attention and investing time and resources. As research is tasked with delivering better optimization and decision models, practitioners are asked to use the existing and evidence-based guidelines to successfully manage learning for, at, and during work for social change.

Revise Funding Models

The social sector is characterized by its idealism and altruistic values (Salamon, Geller, & Newhouse, 2012). These features bring about motivated and dedicated individuals that drive social change (Briggs, Peterson, & Gregory, 2010; Tidwell, 2005). At the same time, this ensues in stringent conceptions about financial ratios, overhead, and what matters to realize social change. Social sector organizations and decision makers may be so highly focused on their prosocial mission that investing in human capital is considered too costly, time-consuming, and peripheral (Letts, Ryan, & Grossman, 1998). Relatedly, funding bodies seek assurance that their investments will garner some immediate results, even if they are only incremental, and so prefer to invest in purposes that have a direct and highly visible impact on the community (Bugg-Levine, Kogut, & Kulatilaka, 2012; Pettijohn, Boris, De Vita, & Fyffe, 2013). This type of resource allocation has been described as a "starvation cycle" (Gregory & Howard, 2009; Lecy & Searing, 2014) and the underlying principles are criticized as the "overhead myth" (Pallotta, 2013a, b). Indeed, operating professional, sustainable and effective SSOs costs money. Although the above is not a new dilemma (Cunningham, 1999), there is substantial evidence that it prevails and affects SSO human capital.

In the US, the proportion of nonprofit grant funding allocated to training and professional development from 1992–2011, on average, was about 1.1 % (Jagpal & Schlegel, 2015; Stahl, 2013). In other words, of every grant dollar available, a mere $0.01 were directly designated to enhance the competence of employees and volunteers. Estimations further suggest that businesses spent on leadership development about four times more per person than nonprofit organizations (Callanan, Gardner, Mendonca, & Scott, 2014). Indeed, of about 1100 young professionals in the non-profit sector surveyed, just 15 % reported that their organizations had received any form of funding for leadership development (Dobin & Tchume, 2012).

Therefore, it is little surprising that 7 out of 10 upcoming non-profit leaders consider shifting into the private or public sector due to obscure or lacking career advancement (Solomon & Sandahl, 2011). Insufficient development opportunities (alongside earning sacrifices and long hours) accordingly promote an exodus of motivated talent (Center for Creative Leadership, 2011; Cornelius, Corvington, & Ruesga, 2006).

Research in Australia further concludes that there is a public perception that "money spent on training is wasteful and makes [non-profit] organizations appear less efficient" (Productivity Commission, 2010, p. 273), and the majority of donors considers the current 'overhead' ratio as inefficient (Paul, 2013). Findings from about 300 Australian social service organizations suggest that the importance of increasing staff skill levels is recognized in principle, but hampered by the necessity to fund the training activity, the need to cover for staff undertaking training, and the potential subsequent higher pay implications for trained workers (Carson et al., 2007). Similar trends can be observed in the UK, where employees in the nonprofit sector have a lower training budget, as compared to their colleagues in the private sector (CIPD, 2014), and at least one-third reporting they have no training budget at all (Clark, 2007). Equally, research from Canada shows that employees in the not-for-profit sector have the highest unfulfilled desire for participation in formal, job-related development (Raykov, Taylor, & Abrams, 2013).

Ultimately, it has been found that limited funding and overall perceptions of available time at work constitute barriers to the application of human capital development strategies both on and off the job in the social sector organizations (Dempsey, 2015; Volunteering Australia, 2012; Wenzel, 2015). A number of responses from SSO workers illustrate this: "funding bodies don't fund workforce development, only fund outputs based on direct client service provision," and "We have a 600 km return trip to Adelaide to attend any relevant training. Also the costs are prohibitive and there isn't the funding in the budget. All our money is consumed providing the service" (Carson et al., 2007).

Given these challenges, the majority of social sector leaders argue for more help from their foundation funders to address this (Buteau, Brock, & Chaffin, 2013). Arguably though, typical grant makers and grant seekers use different mental models about how crucial resources ought to be used, which results in an asymmetry that is causing a vicious cycle of underfunding for the development of human capital. Namely, although some social sector supporters dabble with human capital development initiatives, the reviewed evidence suggests that grant makers offer too few designated resources. What is more, anecdotal evidence suggests that SSOs hesitate to request such human capital developmental resources as this could indicate a lack of competence, for example, to undertake a project for which other funds are also sought. Thus, grant seekers typically do not request designated human capital development funding; therefore, grant makers do not see the need for such funding. Consequently, there remains fairly low investment in human capital development.

Altogether, this poses a difficult conundrum with organizational, economic, and social implications. The silver lining: this is a malleable problem, and multiple

stakeholders can address it. First, social sector organizations and their leaders must recognize that workforce development is critical for mission success and requires resources, therefore, this cannot remain a neglected topic. That is, social sector organizations ought to ask for funding that promotes human capital development. Frankly, unless grant seekers do not request designated resources for workforce development, there will not be any.

Second, grant makers hold tremendous fiscal and decisional power over social sector operations, and therefore the viability of the executing organizations. This former group includes philanthropic foundations, regulatory bodies, donors, as well as the media and the wider public; all of whom carry certain assumptions and preferences about the best use of resources. Arguably, the majority has yet to realize that most existing funding models and grant schemes do not permit full cost recovery. To explain, full cost recovery describes SSOs being able to recuperate the total costs of realizing a given program or project, including the relevant proportion of what is typically considered indirect or overhead costs, and of which human capital development is a part (HLF, 2008). Accordingly, when grant makers change their expectations and communication, grant seekers will be less likely to under-report their actual needs and, if sensible, should be encouraged to include funding requests for workforce development.

For instance, it has been recommended that foundations should engage in substantive and regular conversations with all grantees about the ways in which they proactively focus on workforce issues, in particular, those grantees that seek to grow their impact (GEO, 2012). For foundations, this can mean to explicitly address human capital management issues in requests for proposals, grant-reporting guidelines, and other materials for applicants and grantees. In addition, foundations' expertise and experience could be used to provide insights and clues about what kind of human capital development a given SSO may need.

Third, there has to be more evidence-informed policy making (Head, 2015). Specifically, state and federal governments can consider capacity building schemes to aid SSO in gaining the competencies and resources required for further growth, development and impact. For instance, in the early 2000s, the UK government recognized that many nonprofit organizations did not generate sufficient surpluses to invest in capacity building and do not consider using debt finance for such purposes. Based on this analysis, the government formulated a program of capacity building that focused on strengthening leadership, governance and management roles, often with an emphasis on developing financial and enterprise skills (National Audit Office, 2009). Similarly, Canada launched its Voluntary Sector Initiative in 1998 with a budget of $96.5 m that included strong elements of training and professional development (Human Resources and Skills Development Canada, 2009). Clearly, the next generation of social sector organizations and society will benefit from such capacity development initiatives that recognize the importance of building human capital.

Fourth, intermediaries can bridge a crucial gap to realize human capital development. For instance, the Australian Scholarships Foundation is a small, independent organization that facilitates scholarships for Australian non-profit

employees and volunteers so they can undertake education, training, and development programs (ASF, 2014). The foundation operates on a fairly small budget and facilitates a collective impact approach (Kania & Kramer, 2011), whereby other philanthropic entities and training providers commit funding and enrolments to the common purpose of building human capital in the social sector. Specifically, intermediaries may facilitate individual stipends, reduced course fees, filling empty seats, pro bono repeating for-cost classes, extending online learning solution, among other pragmatic and creative solutions. In return, learning providers might receive unmatched marketing and brand awareness in a growing and lucrative social sector. So instead of investing substantial resources in designing and delivering professional development, additional approaches that harness existing learning opportunities and resources to the benefit of all stakeholders may be considered.

Fifth and finally, it is important to promote the understanding of the cognitions and mechanisms that underpin stringent conceptions about financial ratios and "overhead." Research should make these mental models explicit, if legitimate uncover cognitive biases, and thereby contribute to the overall debate.

Taken together, to avoid a future social sector debacle, it is essential to revise the traditional funding models and beliefs that underpin much of the social sector, and particularly those that affect human capital and its development. It is argued that a multipronged approach is required, including increasing funding and time directed to developing people, maximizing the utility of extant learning opportunities, and changing the conversation about costs.

Conclusion and Calls to Action

The social sector has grown remarkably, continues to do so, and takes on ever more responsibility to shape and sustain an attractive and functional society. Because and despite these impressive achievements, the SSO workforce is under severe strain to continue to lead and serve with purpose. In the future, it will become even tougher to successfully manage uncertainty, fiscal restraints, competitive labor markets, new technology, changing regulations, and more. Most SSO employees and volunteers are dedicated and motivated, they work long hours, make salary sacrifices, and give time. It is not about making them work harder, but smarter. The competence to successfully meet the multiple and often complex responsibilities at work is nothing one is born with. The knowledge, skills, and abilities people have been the result of experiences and learning opportunities and the world is changing so much that we all need constant updating. In view of that, all stakeholders must understand that investment in human capital is not a privilege of successful SSOs. Instead, SSOs are successful in realizing social change, and sustaining it, because they invest in and develop their people. There is substantial evidence to support this.

Correspondingly, this chapter made a strong case for the initial need to revisit and clearly define the key competencies required to aid desired social change on the part of the SSOs. Potential starting points for this applied research task were

illustrated. It then was argued that development of those competencies requires rethinking how multiple forms of learning experiences may be adopted and can be optimally configured. Some guidelines were given that facilitate successful learning at, for, and during work. Finally, it was argued that traditional funding models should be revised to better resource SSO human capital development. The potential contribution of multiple stakeholders has been discussed.

The discussion includes a range of next steps or action items to stimulate managerial action and scholarly research. Ideally, they go hand in hand (Buick, Blackman, O'Flynn, O'Donnell, & West, 2016). That is, the discussed agenda holds promise for yielding both better practical outcomes for the social sector and its impact groups as well as new theoretical insights. Practitioners have a responsibility to seek out sound research, educate themselves, and use evidence for developing ways forward and making optimal decisions on human capital development. Scholars have a pivotal responsibility in advancing the social sector by conducting research that is independent, robust, and applicable to the real world. Without systematic research, developing human capital in the social sector will remain misunderstood, open to easy criticism and de-legitimized as optional. The best knowledge is generated when practitioners and scholars work together to identify what works, what doesn't, and under what circumstances. Undoubtedly, this process will take time and require coherent attention. Thus, the time to start is indeed now.

Ultimately, human capital development ought to become enshrined in the social sector. The argument is not that the associated structural and fiscal changes are easy. They are not. The argument is that those changes are worth it. Although some momentum for addressing these themes is building, it appears these are isolated activities. Accordingly, leaders, funders, policy makers, volunteers, researchers, and everyone linked to the social sector must make learning for purpose a priority.

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