



# Applications of Occupational Psychology within the Not-for-Profit Sector

**V. McLeod, AFBPs\$, CPsychol, CSci**

 Division of  
Occupational Psychology



The  
British  
Psychological  
Society

Meridian Wellbeing and Health CIC

**A Resource for Occupational Psychologists and DOP Members:**

# Applications of Occupational Psychology within the Not-for-Profit Sector

Where do you see your current marketplace?

The Private Sector?



The Public Sector?



Have you considered the Not-for-Profit Sector?

The Not-for-Profit Sector is a growing sector and a viable marketplace within which to promote Occupational Psychology. In Scotland alone, this sector employs 137,000 people, across 45,000 voluntary organisations, with 1.2 million adults volunteering in Scotland in 2009. In this same year, the third sector generated 4.4 billion for the Scottish economy.<sup>3</sup> Nationally, there were 164,000 voluntary organisations in 2010, employing some 765,000 people. Volunteer hours in the sector are estimated to contribute £23.1 billion to the UK economy. The income of the sector in 2010 was an estimated £36.7 billion.<sup>10</sup>



The not-for-profit sector may sometimes be overlooked by occupational psychologists as a viable marketplace, however it is in the interests of the profession to actively market the services of occupational psychology to organisations of all sizes across all sectors, aligning OP services to the differing needs of the not-for-profit sector, alongside those of the public and private sectors.

Pursuing this sector is beneficial in promoting the visibility and value of Occupational Psychology to the wider community. The Voluntary Sector now makes up 2.7% of the UKs workforce.

Occupational Psychology is defined on the BPS Division of Occupational Psychology website as:

*“the science of people at work. Rigour and methods of psychology are applied to issues of critical relevance to business, including talent management, coaching, assessment, selection, training, organizational development, performance, well-being and work-life balance.”*

All of these areas have as much relevance to the not-for-profit sector as for the private and public sectors. Overlooking the third sector has an obvious downside for the interests of the profession across the UK. The third sector is a vast and growing sector, and the use of third sector organisations, social enterprises and volunteers is expanding, fuelled by the current economic climate, as well as sustainability agendas across the UK.



### Occupational Psychology Services that are applicable to the voluntary sector

Increased performance, retention and health and wellbeing of employees, volunteers and service users have been cited as the biggest benefits of using services such as OP within the not-for-profit sector<sup>9</sup>. As the service users and beneficiaries within the not-for-profit sector are often the most vulnerable and least powerful members of our society, the benefits of using OP in this sector must be most closely aligned with the relevant people issues of those within this sector.

Within the not-for-profit sector Occupational Psychology is more closely associated with the softer aspects of employee development and support such as health & wellbeing, work-life balance, workplace counselling, attitudes and motivation, and less so with the areas of highest spend indicated in the private and public sectors<sup>1</sup>, such as leadership/management development, change management and selection.

There is a potential for occupational psychology to be utilized within the not-for-profit sector where external specialist skills are currently sought, such as change management, team building, organisational

and personal development.<sup>9</sup> The areas of diversity awareness and stress management are also considered of high importance to this sector. Other areas include performance management, and team coaching & mentoring.<sup>9</sup>

Because the focus of many not-for-profit organisations is the people they serve, the way employees and volunteers are supported is important to the overall performance of the organisation.<sup>9</sup>

### Occupational Psychology is Underutilised within the Not-for-Profit Sector<sup>2</sup>

There is a perception within the Not-for-Profit sector that occupational psychology is too expensive, and that the same results can be achieved less expensively without using an occupational psychologist.<sup>9</sup> Occupational psychologists can show a unique benefit of bringing all work related issues under one banner, to meet the needs of all organisations within the not-for-profit sector.

In a survey carried out within the voluntary sector<sup>9</sup>, none had knowingly used the services of an occupational psychologist, currently or in the past, and none had any plans to do so in the future. Although disappointing, this raises the possibility that the not-for-profit sector is a vast untapped market within which occupational psychologists could be much more active.

### Why offer services within the voluntary sector

All organisations regardless of size or sector should be able to access the services of occupational psychologists, without their size or income presenting a barrier to the accessibility or applicability of occupational psychology to their organizational needs. In marketing services to the not-for-profit sector it should be noted that the terminology used and focus within the not-for-profit sector is more people than profits based compared with the private sector, as might be expected, given the differences in their goals.<sup>6</sup>

Lack of knowledge of occupational psychology has been cited<sup>9</sup> as a barrier to using occupational psychologists. This mirrors results found by Scott-Jackson and Bourne who explain that “*some managers are unaware of the existence of occupational psychology, let alone its potential.*”<sup>1</sup>

### The focus of those working in this sector is different.

**What is different:** Within the not-for-profit sector there is still a need to increase the performance of individual employees or volunteers, in order to increase the performance of the organisation, but with an outcome of increasing the standard of service provided to the beneficiary – there is no profit, and because any profits generated are done so only to fund an increase in the service provided to the beneficiaries, the needs of the sector will have a different outcome focus, but increasingly with the same professional approach.



The goal of the voluntary sector, generally set up to meet a gap in provision between the private and public sectors, is to continue to provide their service and secure sufficient funding to do so.<sup>5</sup> The goal

of the private sector is to generate a profit through the provision of a service, and the goal of the public sector is to fulfill a preventative, supportive, or service need, for the public good.<sup>5</sup>

**What is the same:** While the goals of these sectors differ, their need to support their human resource and perform well at all levels is shared. In addition, there is a growing trend towards the contribution of the third sector to public service delivery, due to the specialist expertise of many third sector organisations in working with disadvantaged, vulnerable and hard-to-reach groups.<sup>8</sup>

Volunteering as an occupational experience is also increasingly relevant to occupational psychologists, and is a growing area, for example volunteers are increasingly used to support public services, such as in the NHS. How this is carried out can be directly addressed by the field of occupational psychology<sup>2</sup>, including recruitment, training & development, performance, retention and motivation of volunteers. In addition, volunteering is increasingly actively pursued by those who are unemployed, retired, employed people looking to change careers or expand experience, students and graduates hoping to gain relevant work experience, as well as those who wish to give back to society or pursue a specific area of interest for personal or other reasons.

There is also a growing trend for private and public sector organisations to participate in development programmes within the not-for-profit sector as part of their community investment programmes, with input from their own employees. *“Third sector partnerships have been found to be mutually beneficial in developing leadership talent and sharing knowledge and experiences as well as increasing access by reducing the direct costs of leadership development from bursaries and pro bono mentoring.”*<sup>4</sup>

### Summary

Occupational Psychology is relevant to all sectors of the economy and across all life stages of the workforce. It should seek to be inclusive of the not-for profit sector and maximise responsiveness to the needs of this sector, providing relevant and accessible interventions for all. The not-for-profit sector can contribute widely for the wellbeing of the wider community, alongside the performance and profitability of the public and private sectors.

“Business can only prosper within healthy communities”<sup>4</sup>, and actively forming cross-sector partnerships is mutually beneficial in developing leadership talent, sharing knowledge and good practice as well as empowering the not-for-profit sector for the good of the wider community. Fulfilling a corporate social responsibility to the communities within which they work, has a benefit for the performance of private and public sector organisations, as well as their customers and shareholders. This can be applied to all organisations.<sup>4</sup>

OP would benefit from expanding its service provision to be more applicable to small and medium sized organisations across all sectors, including those for whom large scale interventions such as assessment centres would have little relevance, but who may benefit on a smaller scale from Occupational Psychology interventions.

## References

1. Scott-Jackson & Bourne, (2006) What Works at Work? The application and benefits of Occupational Psychology, Division of Occupational Psychology (British Psychological Society) and Centre for Applied HR Research, Oxford Brooks University Business School
2. The Scottish Government (2008), Refreshed Strategy for Volunteering in NHS Scotland [http://www.sehd.nhs.uk/mels/CEL2008\\_10.pdf](http://www.sehd.nhs.uk/mels/CEL2008_10.pdf)
3. SCVO (2010), Scottish Voluntary Sector Statistics, <http://www.scvo.org.uk>
4. Corporate Citizenship for Association of Chief Executives of Voluntary Organisations (2008), Investing in Leaders: a new aspect in corporate social responsibility, Strengthening third sector leadership through cross-sector partnerships
5. Wittenberg, Ben (02, 2007), The Interplay Between State, Private Sector & Voluntary Activity: A Vision for the Future, The Directory of Social Change
6. Institute of Customer Service (2012), <http://www.instituteofcustomerservice.com>
7. Simply Hired (2011), The Voluntary Sector – Simply Hired UK Blog, <http://blog.simplyhired.co.uk/2011/11/the-voluntary-sector.html>
8. The Scottish Government (2011), The Opportunities and Challenges of the Changing Public Services Landscape for the Third Sector in Scotland: A Longitudinal Study <http://www.scotland.gov.uk/publications/2011/02/23102624/6>
9. McLeod, V (2012) Awareness and use of Occupational Psychology within the Not-for-Profit Sector, May 2012
10. NCVO (2012), What the research tells us about the voluntary sector, <http://www.ncvo-vol.org.uk/policy-research/what-voluntary-sector/what-research-tells-us>