Success Themes in Supportive Employment
How Social Enterprise Connects People with Jobs & Jobs with People

Thank you, Employment Social Enterprises

The project team would like to recognize the hard work of social enterprise practitioners and leaders. They put in long hours to operate market-competitive businesses while addressing the complex employment needs of employees. We would also like to specifically mention & thank the many enterprises that contributed invaluable information, interviews, feedback, and even the quotes you see with-in into the report:

AspenPointe, Colorado, USA

Atira Property Management, Vancouver, British Columbia

Centre d'organisation mauricien de services et d'éducation populaire (COMSEP), Trois-Rivières, Québec

Changes Store, Fredericton, New Brunswick

Chrysalis Enterprises, California, USA

Clean Slate Chicago, Illinois, USA

Cleanable, Seddon (Melbourne), Australia

Clydesdale Community Initiatives, Lanark, Scotland

Community Casual Labour Pool (Cool Aid Society), Victoria, British Columbia

Community Food Initiatives, Scotland

Embers Staffing Solutions, Vancouver, British Columbia

EthniCity Catering, Calgary, Alberta

Frame of Mind CIC, West Sussex, UK

Fresh Grounds, Minnesota, USA

Goodwill Industries – Essex Kent Lambton Inc., Sarnia, Ontario

Hillcrest Branch, Devon, England

Human Technologies Corporation, New York, USA

Hungry Heart Café, St. John's, Newfoundland

Interpreter Services, Toronto, Ontario

Island Furniture St. John's, Newfoundland

JustWork - JustCatering, JustPotters, JustRenos, Vancouver, British Columbia

Krackers Katering, Good Nature Groundskeeping, Cycle Salvation, Right Bike, Ottawa, Ontario

Landscaping with Heart (Coast Social Enterprise Foundation), Metro Vancouver, British Columbia

Les Ateliers Léopold Desrosiers Inc., Bas St-Laurent, Matane, Québec

License to Clean, Toronto, Ontario

Mama's Wall Street Studio, Vancouver, British Columbia

Manitoba Green Retrofit, Winnipeg, Manitoba

MOSAIC Translation Services, British Columbia

Petite mains, Montreal, Quebec

Potluck Café and Catering, Vancouver, British Columbia

Prince George Native Friendship CentreNorth, Prince George British Columbia

Providence Farm, Duncan, British Columbia

REDS10 Trading, London, England

Resource Recovery, Great Lakes District, NSW Australia

SARCAN Recycling, Saskatoon, Saskatchewan

Services d'aide à domicile de Québec, Quebec

St. Vincent de Paul of Alameda County, California, USA

Starworks, Vancouver, British Columbia

Stone Hearth Bakery, Halifax, Nova Scotia

Street Culture Project, Regina, Saskatoon

TeamWorks, Thunder Bay, Ontario

The Cleaning Solution, Vancouver, British Columbia

The Kindale Thrift Store, Armstrong, British Columbia

Tradeworks (Rona Fab Shop and Women's Workshop), Vancouver, British Columbia

Train For Trades, Choices for Youth, St. John's, Newfoundland

Unity Enterprises, Scotland

West Kootenay Social Enterprise Society, Nelson, British Columbia

Willow Springs, Thunder Bay, Ontario

WIN, Victoria, British Columbia

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Acknowledgements

A special thanks goes out to the following people who contributed to the design and implementation of this research project:

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1.0 Executive Summary

It is common for people without work to experience not one, but multiple barriers to employment. *Success Themes in Supportive Employment* identifies practices that contribute to the success which certain social enterprises are having employing such individuals. The success is reciprocal. The individuals transform their lives, infact many barriers are eliminated by the job opportunity itself. The social enterprises, termed Employment Social Enterprises (ESEs), benefit greatly from dedicated and skillful employees. The community benefits by having additional workers who contribute skills, energy, creativity and tax dollars.

ESEs make up about 40% of the social enterprises active in Canada today. Typically, they follow one of two business models. Some ESEs focus on building the skills and capacities of individuals, and then transition them to mainstream employers. Other ESEs support individuals and employ them indefinitely. ESEs hire and retain a significant percentage of their staff from target population groups with high rates of unemployment and serious social challenges. ESEs also address all the concerns of a normal business. They must see to proper cash flow, revenue diversification, product and service lines, training, quality control, marketing, and customer relations.

Over time, ESEs have learned a great deal about supporting the efforts of individuals to find and keep jobs. The insights ESEs have had and innovations they have made are important to many other organizations. They are important to social enterprises with a commitment to employment development and training. They can guide private businesses that want to employ a diverse workforce. They can inform funders who recognize the transformative nature of employment, and governments concerned about economic development and jobs for all.

This report describes the key practices of ESEs that have been highly successful employing people who face multiple barriers to employment. It is based on extensive research, including a thorough literature review and interviews with 50 well-established ESEs. The research explored 1) the best practices, 2) the models, 3) the systems and 4) the supportive framework for the training and employment of people who experience multiple barriers. Conversations with them focused on their human resource (HR) and employment support practices and policies.

The research identified 11 practices ("Success Themes") that are highly effective in employing people facing multiple barriers. Combined with a viable business model, these practices are a powerful engine of socio-economic change. They have the potential to make a significant impact on the community or on society in general.

1. Target employees comprise 50% or more of the workforce in most of the ESEs studied. Determining that **workforce mixture** is an important and complex decision.

2. The best way to support target employees is to respond with **flexibility and accommodation** to their individual needs. The surveyed ESEs provide flexible scheduling, such as casual and part-time work hours. They also make allowance for absences from work and for extended leaves.

3. The practices of **recruitment and hiring** are inclusionary. The surveyed ESEs actively seek people who meet the target employee profile. Community partners and networks usually assist in recruitment. Rather than a "test," the application process is structured as an opportunity for people to learn, engage and develop.

4. A welcoming process and graduated trial period (**onboarding**) is characteristic of these ESEs. They deliver **training** primarily on the job, but also through community partners or the training program of the parent non-profit.

5. The **supervision** is a designated responsibility. The supervisor assesses people's needs and helps to set and achieve goals. S/he connects people to supports, to training and to other employment opportunities. It is common practice to promote employees to the position of supervisor.

6. Wrap-around **life supports** help people address barriers which extend beyond the confines of a job or workplace. Life supports fall into four groups: coaching, counseling and mentorship; skill development and education; providing for basic needs; and health and wellness.

7. There is an explicit aspiration to pay employees more in order to **address issues of poverty** and improve their quality of life. To this end surveyed ESEs provide a number of financial incentives in addition to wages. Profit-sharing, bonuses, matched grant funding for employment development, and emergency loan funds are some examples.

8. Once people start to earn an income, their transition out of poverty can begin. To help employees manage their money, ESEs provide **financial literacy skills**. Employees learn about opening a bank account, budgeting, paying bills and planning, for example.

9. Many target employees start work in a state of income insecurity. Almost all the surveyed ESEs therefore provide **Non-Wage Supports**. They supply employees with uniforms and equipment. They help them access food more readily. They also assist with transportation to and from the worksite.

10. The **community and organizational culture** of these ESE workplaces is "family-like." Community building and peer-to-peer relationships are actively encouraged. Opportunities are provided to connect with local communities.

11. ESEs base their performance assessments, promotion and discipline decisions more on individual merit than relative merit. When employees take mainstream employment, this too is celebrated as a success.

The positive impact on employees is demonstrable. They grow in confidence and income, in skills and work experience. They have a greater sense of purpose, and community and individual accomplishment.

Success Themes in Supportive Employment offers many recommendations to new and existing social enterprises for the support of diverse workforces. It suggests subject areas and sources for further research, as well as tools to develop. The report indicates changes in government policy that will enable ESEs and their employees to achieve even better outcomes. Finally, steps are recommended that community partners, intermediaries and funders can take to strengthen the social enterprise sector as a whole.

2.0 Glossary

Casual Employment	Employment on a schedule designed to fit an employee's capabilities. It may range from couple of hours a week to part-time.
Employment Social Enterprise (ESE)	A type of social enterprise whose primary purpose includes an expressed intention to train, develop the capacity of and employ people facing barriers to employment.
Full-time Employment	30 hours or more/ week at any one job.
Living Wage	A wage that can meet the basic needs to maintain a safe, decent standard of living in the community. Many communities have calculated a living wage that is higher than minimum wage.
Long-term Employment	A type of employment offered by social enterprises. It offers stability, job security and workplace accommodations in order to retain employees for long periods of time.
Non-Target Employees	Employees of a social enterprise who do not face barriers to employment.
Part-time Employment	30 hours or less/week at any one job.
People facing or who experience multiple barriers to employment	People who experience two or more significant challenges when trying to get or keep a job or participate in the life of the community.
Social Enterprise (SE)	Businesses that create community impacts and incorporate social values. They limit or disallow distribution of profits and assets to individual shareholders and are typically owned/ operated by a non-profit or charity.
Target Employees	People who an employment social enterprise aims to employ and support.
Transitional Employment	A type of employment offered by social enterprises. It focuses on the employee's transition to the mainstream economy in the short term, and not on retaining the employee within the social enterprise for a longer period.

3.0 Preface

In recent years, the recognition of social enterprise has grown globally. The practice and potential of social enterprise have received significant attention in many developing and established economies. Canada has also enjoyed a steady growth in social enterprise. Credit for this goes to the leadership of the non-profit sector as well many public sector partners who are committed to social enterprise.

In 2008, Imagine Canada published the report *Building Blocks for Strong Communities*. It estimated that small to medium-sized organizations (SMO) make up more than 99% of the non-profit sector. The report concluded that these SMOs, exhibit "…a more entrepreneurial approach to operating their organizations than large organizations. SMOs receive revenues from a variety of sources, they receive the largest proportion of their revenues from earned income and are less likely to be dependent on government revenue than large organizations."[1] Of the revenue brought into SMOs, 40% is earned.[2]

These large numbers of SMOs, plus the trend to grant short-term, project-based funding, have obliged the non-profit sector to diversify its revenue streams. SMOs have initiated social enterprise both as a new approach to restore financial stability and to achieve social impact. Employment Social Enterprises (ESEs) are businesses that offer the market a product or service in order to employ individuals facing multiple barriers to employment.

ESEs make up a large number of the social enterprises operating in Canada today. Provincial surveys estimate that 40%[3] of all social enterprises have an employment and/or training mandate. Such social enterprises tend to be launched by non-profits founded to address the needs of a certain population group. ESEs help fulfill that organizational mission and diversify revenues at the same time.

The 2012 Survey of Social Enterprises in British Columbia [4] shows a substantial increase in the number of confirmed social enterprises over the previous two years. Numbers rose from 231 in 2010 to 357 in 2012. Out of 104 social enterprises surveyed, 25% said they were "*operating for the purpose of employment development.*" Another 14% reported their purpose to be "training and workforce integration." The combined total is equal to 39% or 142 training and ESEs in BC alone.

The 2012 Survey states that, "*Those employed include 2,430 people who were employed as part of the mission of the social enterprise, such as those with disabilities and/or other employment barriers.*" In addition, social enterprises in BC provided 6,260 people with training opportunities.[5]

1 Gumulka, Glen, Hay, Stephen, & Lasby, David (2006). Building Blocks for Strong Communities: A Profile of Small- and Medium-Sized Organizations in Canada. Imagine Canada, 25.
2 Although their earned revenue is significant, note that SMOs are still often under-resourced and require diverse types of funding and investment.
3 Social Enterprise Sector Survey. Accessed April 14, 2014 http://www.sess.ca.
4 Elson, Peter & Hall, Peter (2012). Headline Results From: The 2012 Survey of Social Enterprises in British Columbia. Simon Fraser University and Mount Royal University, Bissett School of Business. Accessed April 14, 2014 at http://www.sess.ca/english/wp-content/uploads/2013/04/Headline-results-from-2012-BC.pdf.
5 Elson and Hall, 2.

These statistics indicate the growth of BC's social enterprise landscape. More employment and training opportunities are being created for people with employment barriers. Moreover, the 3,370 people to whom social enterprises provided paid employment earned $37 million in wages.

Anecdotally, ESEs are known to successfully employ people who, for various reasons, have been unable to find and maintain mainstream employment. Some population groups have markedly higher unemployment rates and social challenges. ESEs hire and retain employees from these very groups. The benefits of this employment are well-documented. They range from reduced household poverty to a greater sense of purpose, pride and social connection. (The high social cost of unemployment and poverty on individuals, families and communities is already well-documented.)

ESEs have been included in studies of social enterprise business models, of leadership and capacity, and challenges and opportunities. To date, however, their success as employers has been under-explored. Certainly, business sector and financial models are important for fully understanding a social enterprise's success. The focus of this study, however, was HR and employment supports. It only looked at other aspects of social enterprise as they related to employment support practices.

For many people who once struggled with employment, a job in an ESE has been pivotal. That experience of meaningful employment later enabled them to make the transition to permanent employment. Their time at the ESE equipped them with transferable skills and on-the-job experience. Still more telling was impact which the ESE had on their sense of purpose and belonging. It increased their self-esteem, confidence, hope, identity, and pride.

ESEs have accumulated much wisdom and practical insight about how to support a person's efforts to find and maintain employment. The lessons they share are applicable to many other organizations. They are important to social enterprises which want to incorporate such practices. They can guide private businesses that want to employ a diverse workforce. They can inform funders who recognize the transformative nature of employment. Not least, these lessons are material to any government concerned about economic development and jobs for all.

4.0 Background

Success Themes in Supportive Employment [6] was a project funded by BC's Labour Market Program initiative. A Project Advisory Group (PAG) provided oversight. It was comprised of social enterprise practitioners, non-profit leaders and university academics. The project was to research and share lessons learned on the following question: *'what makes social enterprises successful at employing people facing multiple barriers to employment'.*

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6 Original title: Promising Supportive Employment Practices: Lessons from Social Enterprise.

4.1 Purpose

At the outset of the project, the PAG made some significant decisions regarding the focus and tone of the research:

- **Language and definitions are important.** There is a common perception that unemployment is an individual issue. The onus for change therefore lies with the individual. However, it was the experience of PAG members that most individuals want to work and are excellent employees. Unemployment is not solely the responsibility of the individual. A combination of internal and external barriers can entrench unemployment. 'People facing or experiencing barriers to employment' is language that reflects this viewpoint. By contrast, the terms 'unemployable' or 'people with barriers' do not.

- **Focus on barriers rather than population.** Statistics correlate high rates of unemployment rates and other social issues with certain population groups. The PAG did not think a demographic focus would enable the project to differentiate within a population. Nor would the project explore the barriers that different populations have in common. (For example, people with disabilities experience higher unemployment. Yet many people with disabilities who have no trouble finding and maintaining employment.) As PAG members reflected on their lived experience, the focus of the research shifted. Rather than a single barrier or demographic profile, the focus would be on a combination or multiple barriers.

- **Focus on Mature Social Enterprises.** The research question requires the study of a) successful social enterprises; b) that have a track record of employing people facing multiple barriers to employment; and c) have developed employment support practices that can be studied. To achieve these goals, the PAG decided to restrict research to ESEs that have been in operation for at least five years. The five-year mark indicates that an enterprise has achieved some level of business stability and maturity. They have been employers of people for a certain number of years, and completed hiring, employment and exit cycles.

- **Long-term or Transitional Employment.** Another important criterion was to focus on long-term and transitional employment. The PAG wanted to select enterprises that focused on employing people rather than operating a training program. Even though training was a strong component of all the ESEs, the focus of the enterprise had to be the provision of real work for real wages while delivering a market-tested product or service.

4.2 Literature Review

The process began with a comprehensive review of existing research on ESEs. It identified key concepts and learning in the employment of people facing multiple barriers to employment.

In fact, the literature review discovered very little research had been done on this subject in Canada. What came to light did not examine in depth the factors (internal and external) that make social enterprises successful in employing people who face multiple barri-

ers to employment. Here is what was noted:

> *The researcher found and either read or scanned over one hundred reports and studies by both academics and leaders in the non-profit and government sectors. All but a small number of these documents related to the research focus in two of the three key areas of interest. Most focused on best practices and studies that looked at supporting people with mental, physical or developmental disabilities in the workforce, both mainstream and 'sheltered'. The role of social enterprises in this mix was most often cited as an aside, or a footnote.*
>
> *For the studies that did focus on social enterprises specifically, the challenge was finding research that clearly addressed multiple barriers. Again, most of these reports revolved around supporting people with mental illness and developmental disabilities. When other barriers were mentioned, in most cases it was simply a statement affirming that individuals who have one disability often face other barriers to employment as well.*
>
> *In the studies that focused specifically on individuals who face multiple barriers to employment, there was only one that made a direct link to the role of social enterprises, the 2010 report, "Social Enterprises: Creating Jobs and Community Wellness One Small Business at a Time," by the ISIS Research Centre, Sauder School of Business, UBC.*
>
> *What the literature review shows, based on trying to answer both the primary research question, 'What are the internal and external factors that make social enterprises successful in employing people who face multiple barriers to employment?' … is that this area of study has not been addressed in any meaningful way in Canada, Europe, the United Kingdom, the United States or Australia.* [7]

4.3 Research Purpose

The literature review served as a backgrounder for designing a collaborative research effort. Four research teams conducted a preliminary scan, interviews and several in-depth case studies.

Each team had to identify and analyze 1) best practices, 2) the models, 3) the systems and 4) the supportive framework for the training and employment of persons who experience multiple barriers. Ultimately, the research was intended to inform the development of tools, resources and recommendations which would assist the implementation and scaling of promising practices across BC and other jurisdictions.

4.4 Research Methodology

The Project Advisory Group and research teams collaborated to develop the research methodology. A brief overview is provided below. For more detail, see Appendix 13.

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7 Barker, Donna. August, 2013. Literature Review for Barriers to Employment Project. Labour Market Partnership Project, 4.

The research involved a mix of methods to uncover the models and approaches used by ESEs. Phone interviews and email conversations were conducted with 50 ESEs to learn about their employment practices, their target employees, and support strategies. From this information the researchers developed a profile ("snapshot") of each ESE, and discerned notable features that the ESEs held in common. Sixteen social enterprises were then selected for in-depth interviews.

On the basis of this data the research team identified common and best practices in terms of determining workforce mixture, HR policies and employment support and innovations. The research team also drew together key observations relating to:

- Financial implications
- Impact on employees
- Challenges faced by social enterprises
- Evaluation Practices
- Supportive Eco-System for Social Enterprise Growth

The research for **Success Themes in Supportive Employment** focused primarily on Canada. ESEs operating in Australia, the United States and the United Kingdom were also interviewed.

To narrow down the initial list of potential interview subjects, the PAG specified four main criteria:

- Market-based (real goods/service for real money).
- Mandate to employ people who face multiple barriers employment.
- Offer employment with supportive employment practices/ HR policies.
- In operation for at least five years.

The data was mostly qualitative, and gathered through phone interviews and email communication. Fifty social enterprises participated in an interview survey. Based on the criteria, 16 were selected for in-depth interviews and data collection.

In-depth interviews revealed detailed information regarding human resource (HR) policies and employment support practices, outcome measurement, financial implications and the surrounding eco-system of support. The interview and case study templates are included in Appendices 13.1 and 13.2.

Most of the research was completed in the summer and fall of 2013. Each team had regular check-in calls. They presented their results to the other teams at the end of each interview stage.

4.5 Importance of Context

The research conducted for this project was primarily qualitative in nature. Therefore, caution must be taken when extrapolating conclusions. Readers of this report need to be aware of the following limitations:

1. **Sample Size is Not Representative:** Although every attempt was made to select ESEs that would reflect the diversity of the sector, the research documents a sub-class of the sector. The objective of the research project was not a formal statistical or quantitative analysis to identify trends. Instead, the project was to gather qualitative data in order to identify practices unique to social enterprises. Learning tools were then to be developed on the basis of these findings.

2. **Context Dependence:** The ESEs operate in unique places, markets, jurisdictions, communities, geographic areas, and policy and funding environments. Interview subjects in Canada, the United States, United Kingdom and Australia all operate in decidedly different circumstances. The same applied to research participants in different Canadian provinces and communities. Some lessons are relevant within a specific context. Others can be applied more broadly. The table below attempts to qualify how context may affect different variables.

Variable	*Contextual Impact*
Target Population	The cultural or policy context, or the availability of resources, may determine which types of accommodation can be provided to different target populations.
Type of Barrier	While employment supports address barriers to employment, every support is not suitable for every barrier. For example, supports that address addiction may differ from those appropriate for literacy issues.
Type of Employment	Transitional and long-term ESEs have different goals for their employees and develop different supports to achieve those goals. The type of employment has implications for both the experience of employees and the enterprise's finances. Each model has its benefits and challenges.
Sector	The sector determines the type of work, the degree of flexibility, the required skills and training, and opportunities for advancement. It also determines the financial viability (margins) of each of the surveyed social enterprises.
Organizational Structure	All the ESEs included in the research fall within the non-profit sector. However, their structures often differ: co-operative; independent non-profit; for-profit owned by a parent non-profit; or enterprise program operating within a parent non-profit.

Variable	Contextual Impact
Location	Many of the factors that impact ESE success differ significantly from place to place: the community supports available, governance, financing, funding, and the legal and policy framework.
Policy Framework for Employees	Many supported employees are impacted by social support services and systems, including disability and social assistance, welfare, and the correctional system. These policies vary from province to province, and country to country. They can influence wages, housing, wellness supports, training, transportation and access to food.
Supportive Framework for Social Enterprises	Social enterprises are impacted by policies and systems related to legal structures, financial and tax implications, and access to financing and funding.

It is important to keep context in mind. Nevertheless, the research revealed a number of themes and practices that applied to all the social enterprises.

5.0 Snapshot of Social Enterprises

The research teams conducted a total of 50 interviews[8]. A collaborative process of analysis extracted quantifiable data that provided a snapshot of the research pool. This snapshot profiles the ESEs interviewed, their target employees and the multiple barriers to employment which employees face.

5.1 Profile of Social Enterprises

The sample for Success Themes in Supportive Employment came predominantly from North America and the UK. Nine of the 50 (18%) social enterprises were in Vancouver, and 35 (70%) were in Canada. The remainder (30%) were from the US, UK and Australia.

Year Founded

One of the four criteria for research selection was "in operation for at least five years." Mature enterprises have achieved a certain level of success. Along the way, they have grown and overcome many challenges. Some of these challenges may relate to business operations, to revenue generation or building the capacity of their workforce. The study targeted mature enterprises in order to focus the conversation on effective HR and employment support practices and policies. Lessons to be learned about the business model or other features of social enterprise lay outside this project.

Of the research sample, 35% had been in operation for 5-9 years, 30% for 10-20 years and 29% were founded 20+ years ago.

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8 One interviews provided incomplete data, hence the variation in reported findings between 49 and 50 respondents

Industry

Social enterprises operate in various business sectors. Several of the 50 ESEs interviewed operate more than one business, raising the total of ESEs in the study to 80. The following business sectors are represented in this study:

Business Sector	Number of business operated by 50 ESEs
Landscaping, Property Management and Maintenance, Street Maintenance	14
Café and/or Catering	14
Carpentry, Construction and Renovations	8
Recycling	7
Cleaning and janitorial services	6
Thrift Store	6
Room Rental and Event Staffing	3
Sewing	3
Temp, casual labour or odd jobs	3
Manufacturing	2
Pest Removal	2
Interpretation Services	2
Packaging	1
Car Wash	1
Paper shredding	1
Bike repair and rental	1
Energy retrofit—insulation installation	1
Furniture assembly and moving	1
Furniture Retail	1
Wholesale Fruit and Vegetable Outlets	1
Picture Framing	1
Document Digitization	1
Total number of Businesses represented in study	80

5.2 Profile of Employees

Number of Target Employees

Most of the surveyed ESEs have small workforces. Seventeen of the 50 (34%) interview subjects employ less than 20 target employees. Nine of the 50 (18%) employ 21-80 target employees. Nine of the 50 (18%) employ 41-60 target employees.

Role of Target Employees

Many of the ESEs operate in competitive industries. They offer low-skill, labour-intensive jobs that can meet the needs of employees. There is no clear linkage between the business sector and types of barrier that the employees face.

Target employees mostly hold non-managerial positions which involve manual labour and entry-level skills. These jobs serve as a safe, non-intimidating starting point in which to develop capacity and work readiness, overcome personal challenges, and stay employed.

Non-target employees are more commonly managers, supervisors, job coaches/ employment support staff and office staff. Many of the people in these positions have once been target employees and have been promoted to supervisory and management roles.

5.3 Profile of Barriers

"No one comes in with one barrier; if they have one, they probably have many."

Target employees face multiple barriers to employment. All the ESEs interviewed make it their goal to address these barriers, build work skills and support the transformation of employees' lives.

The most common barriers are addictions, low literacy and mental health issues. They in turn relate to gaps in work history, lack of work experience, lack of skills and training, and poverty. Table 1 in Appendix 13.4 depicts the frequency of barriers according to geographic location.

The following factors were also identified by interviewees as barriers faced by their target employees:

- Expense or lack of transportation to reach job sites.
- Poor social skills
- Physical health issues, including medications with side effects adverse to work-ability (e.g., meds that make it difficult to get up in the morning).
- Unstable housing.
- Low self-confidence.
- Social assistance regulations that reduce income and benefits when a person's income rises. The reductions often occur before financial sustainability is reached. This makes income assistance reassuring and acts as a disincentive to work.
- Lack of basic hygiene.
- Visual/hearing impairments.
- Anxiety/depression.
- Adjusting to life outside of prison.
- Racism/visible minority.
- Gang involvement.

Observed Combinations of Employment Barriers

It became clear that many barriers may be interconnected and that individuals could experience several barriers concurrently. Interviewees observed that several barriers often occur in combination:

1. Poverty, mental illness and addictions, social isolation and homelessness.

2. Lack of life skills, employment experience and education.

3. A lack of Canadian work experience, language barriers and gaps in employment.

4. Low literacy, gaps in work history, lack of employment skills, lack of family support, attitudinal and behavioral issues.

5. Multiple disabilities

Table 2 in Appendix 13.4 depicts the various combinations of barriers.

Over the course of research analysis, many assumptions were challenged and disproven:

- Some barriers may be more prevalent within certain populations. Still, members of those populations are not foreordained to experience those barriers.

- Members of populations which are not normally considered "vulnerable" (for example, Caucasian males) may experience barriers.

- Other barriers are directly addressed by the employment opportunity. These barriers are poverty, gaps in work history, lack of skills training, social isolation, transportation, and workplace accommodations and social skills.

- The surveyed ESEs focus on addressing barriers to employment. However some barriers cannot be reduced by employment alone and may require additional supports. These barriers include low literacy, lack of education, addictions, mental health, lack of family support, physical health issues and homelessness.

- The surveyed ESEs employ people with all sorts of barriers. Some barriers the ESEs address directly and others "indirectly." That is, the stabilizing force of employment creates a space in the employees' lives in which they could experience other supports and services. Employment at the ESE increases the possibility of other life changes.

The following section details the practices with which ESEs support the efforts of people to overcome multiple barriers to employment.

6.0 Findings

The ESEs in this study have developed a suite of practices to support the efforts of vulnerable members of society to become successful employees.

People who experience multiple barriers to employment are not well served by traditional job search and employment programs. The practices of these ESEs enable, empower and nurture such individuals to overcome the challenges they face. They are enabled to earn livelihoods, lead productive lives, and experience social and economic inclusion.

Most of the ESEs studied have developed robust models of employment support. The research did not compare their HR practices to the employment practices of mainstream enterprises in similar sectors. Many interviewees have industry and employer expertise, however. They recognize the need to adapt mainstream HR practices in order to hire, train and retain the target employees.

The surveyed ESEs have in common a suite of HR and employment support practices that the practitioners consider unique to the social enterprise sector.

The surveyed ESEs often extend their supports well beyond the job and the workplace. With the assistance of their parent organization and/or a host of community partners, these ESEs provide a vast range of life supports, or "wrap-around services."

> *"If someone needs something in an area, we do everything in our power to make it happen."*

Significant findings are grouped below under these headings:

- Determining Workforce Mixture
- Common HR Policies and Employment Support Practices
- Outliers

6.1 Determining Workforce Mixture

Percentage of Target Employees to Non-Target Employees

For most of the ESEs studied, target employees comprise at least 50% of the workforce.

Determining the workforce mixture is an important and complex decision. The average workforce mixture is 67% target employees to 33% non-target employees. This finding is in line with surveys that have been conducted in various Canadian provinces[9].

To determine the optimum workforce mixture, the following factors are taken into consideration:

Percentage of Target Employee

91-100%	11
81-90%	5
71-80%	8
61-70%	7
51-60%	3
41-50%	8
31-40%	2
21-30%	0
11-20%	1
1-10%	1

1. **Industry and sector:** Some workplaces are able to create more jobs than others. A small retail store can accommodate 3-6 jobs, whereas a manufacturing business can accommodate 20-40. Other sectors have industry standards with specific safety and supervision requirements.

2. **Size and scalability:** Workforce mixture is sometimes determined by the size of the business and its scalability. Some of the surveyed ESEs remain small and offer
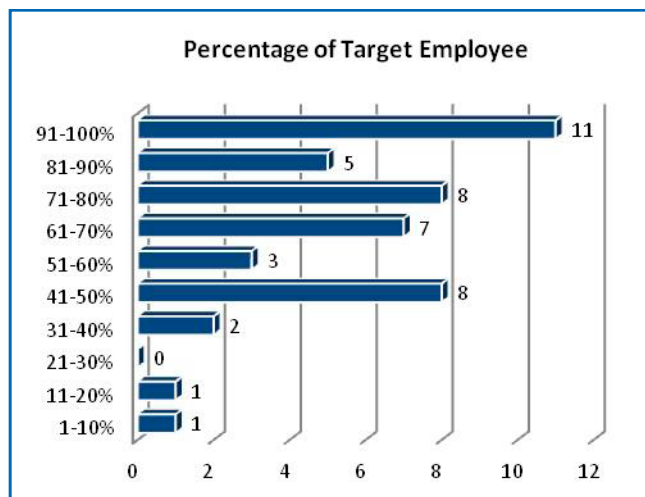
9 Social Enterprise Sector Survey. Accessed April 14, 2014 http://www.sess.ca.

a limited number of positions to target employees. These ESEs expand their reach as people move on to mainstream employment. By contrast, other ESEs are more scalable and expand their business in order to employ more people. In addition, market size, competition and financial resources (grants, loans, investment) might serve to encourage the growth of an ESE.

3. **Business and operational model:** The ESE's business and operational model sometimes determines the number of positions for both target and non-target employees. Management and supervisory positions are most likely filled by non-target employees, at least initially. General labour or entry-level positions are filled with target employees. The longer an enterprise is in operation, the more this ratio is likely to shift due to growth in the capacity of target employees and their promotion within the enterprise.

4. **Relationship with parent organization:** The workforce mixture can be greatly affected if a parent organization covers or subsidizes certain functions or roles. Parent organizations might employ many of the training and support staff, and fund many administrative functions crucial to start-up enterprises. This can also distort perceptions of the workforce mixture. Staff who perform core roles for the enterprise might not be considered ESE staff.

5. **Capacity of target employees.** The population group or the barriers on which the ESEs choose to focus determines the number of target employees and the nature of the support that each receive. This same factor affects the level of supervision required, and thereby the workforce mixture as well.

All these factors influence the decision regarding the optimum workforce mixture. No single factor comes under consideration in isolation from others.

6.2 Common Human Resource Policies and Employment Support Practices

The interviews and in-depth questions assumed that HR policies and employment support practices to be two separate functions. However, many employment support practices have become part of formal and informal HR policies.

Most ESEs in the study have formal HR policies, either borrowed from a parent non-profit or specific to the social enterprise. The interviews documented established HR and employment support practices on the following matters:

- Recruitment
- Training
- Orientation
- Hiring
- Wage
- Uniform and equipment
- Scheduling and accommodation
- Promotion
- Recognition
- Vacation

- Leave of absence
- Complaints
- Discipline and remediation
- Termination
- Hours of work
- Job description
- Supervision
- Performance review
- Trial period

The surveyed ESEs apply many HR policies that are comparable to the best practices in other industries and sectors. The robust HR policies and practices of other sectors can sometimes be at odds with the needs of an ESE's target employees. Several ESEs commented that they have had to adapt private sector HR manuals to meet the needs of their employees.

There were numerous examples of how tolerance, understanding, acceptance and compassion have enabled target employees to remain employed. The interviews brought to light a suite of HR and employment support practices that are both common to ESEs, and unique to them. Combined with a financially sustainable business model, these practices prove to be a powerful engine of socio-economic change:

1. Workforce Mixture (above, section 6.1)

2. Flexibility and Accommodation

3. Recruitment and Hiring

4. Onboarding and Training

5. Supervision

6. Life Supports

7. Wages & Other Financial Incentives

8. Financial Literacy

9. Non-Wage Supports

10. Community-Building and Organizational Culture

11. Performance Measurement, Promotion and Discipline

1. WORKFORCE MIXTURE

For a full discussion of these practices see section 6.1

2. FLEXIBILITY AND ACCOMMODATION

"Accommodation is how we run our business – not a duty but a technique. Always accommodating – [we find the] best fit between cleaner and site, schedule according to capacities, preferences, skills. We're just people who help. For example:

[if we] put people on medical leave, people accrue benefits on leave so this is a cost to our organization. We get people who have been out of workplace for a while so [we] provide gradual re-entry: will give them one site and will see how do they before giving them more work…[it] takes time, gradual employment."

Flexibility and accommodation are the central methods used to support employees. They are put into practice in the following ways:

Focus on Individual Needs: Most of the ESEs tailor job descriptions, scheduling and supports to the needs and skills of each individual. It is a "person-first" environment in which management takes pains to identify the best role for each employee.

"We let them commit to what they think is reasonable in terms of work."

"We don't fit the employee into the program but build… around the employee and their needs."

Casual and Part-time Work Hours: The vast majority of the ESEs operate with a casual and part-time workforce. There are opportunities to work full-time, but the circumstances and constraints of many employees' lives make full-time employment a challenge. If they also are recipients of government income assistance, regulations determine how much they can earn before their benefits change. This too is a factor in the number of hours someone might choose to work.

Scheduling: Employee work schedules are highly flexible. Each is adjusted to how many hours an employee can work and at what times. Most of the ESEs make every effort to tailor work hours to an employee's circumstances. For example, time is set aside for parole officer meetings, doctor's appointments, job interviews, and visits from a social worker.

"The workplace is highly flexible in terms of making time off available for program participants if needed for personal reasons."

Work Absences are Accommodated. The ESEs require employees to call in if they are not able to make a shift. Work commitment and communication are key life skills that ESEs reinforce. ESEs work with their employees to help them stay employed.

"We accommodate work absence and have flexible schedules. We are forgiving."

Acceptability of Extended Leave: Unpaid extended leave tends to be granted with no consequences. Jobs are often held for employees until they are ready to return to work. Acceptable reasons for extended leave include the following:

- Rehabilitation for addictions issues
- Family (i.e., taking care of children)
- Hospitalization
- Incarceration
- Mental health relapse

"If you are going to be out of work, the policy is automatic separation at 12 weeks but if we are in communication and it's a medical issue and know that you are going

to come back, then we will work with you to keep you employed."

Flexibility and accommodation have an impact on how the ESEs operate and address the needs of the business and customers:

1. Senior staff fill in for employees who are late or who miss shifts. Accordingly, senior staff have to be able to manage the business and carry out many of its other jobs and roles.

2. A casual pool of labour has to be recruited, trained and available at short notice. This pool can also be used as a vehicle for preparing future employees and as a kind of "working interview."

"Depending on [product] flow we may have to hire someone to fill in for this person … [If the product flow is] low then we just accommodate in staff. If it is really busy we will bring someone on temporarily."

3. RECRUITMENT AND HIRING

"For many, finding a job before [we] made them an offer was very difficult. One employee reported being turned down for every interview for which he applied for eight months due to his criminal record before [we] offered him a job."

Inclusionary: Recruitment focuses on people who met the target employee profile. A job description and selection criteria accompany the posting. Employees are integrated into the workplace, regardless of their needs and barriers. It is not so much a matter of doing the job but rather a job. The ESEs strive to integrate diverse individuals while managing a competitive business. Employees are treated equally, which reduces the stigma of their life situations or the barriers they face.

"… the focus is on trying not to set up barriers – if people can do the job they are hired."

Recruitment through Community Partners: Many of the ESEs recruit their target employees internally through the training programs of their parent non-profit. Others recruit externally, through other community agencies. These agencies are usually social service organizations that specialize in services or training for a client group similar to the one targeted by the ESE. In many cases, the referring agency and its staff remain important to the support of an ESE employee.

Working with community agencies is viewed as both a cost savings and an efficient way to gain employees who are a good match for the enterprise. Community agencies provide background and stream appropriate individuals to the ESE. This is a symbiotic relationship between ESEs and community agencies task with finding positions for their clients or constituents.

In addition, news of job opportunities spreads through word of mouth, website postings or in the newspaper.

Application Process to Build Capacity: Most of the ESEs have an application process that is tailored to be welcoming to the target population. The ESEs retool the components of the process: writing a resume, submitting an application, and attending an interview. The result is a capacity-building and supportive experience, rather than a

competitive one. It helps the ESE select applicants who have the desire and commitment to fulfill the role. It also enables the ESE to gain a better understanding of each individual's needs, barriers and strengths.

"Many people regardless of disability find traditional interviews intimidating. For people with communication challenges a traditional interview may be very daunting and as a result not a useful measure of an individual's ability to perform on the job. As such we use what is called a working interview. A working interview allows the individual the opportunity to demonstrate ability rather than articulate it. Candidates are given 2-4 hour interviews where they receive an orientation, training and time to practice with a job coach prior to a skilled time trial. In some cases candidates are offered work experiences or a temporary trial period so they can reach the speed and quality required for hire."

The application process might include several of the following:

- **Job descriptions** tailored to the requirements of the ESE and to individuals' needs and abilities.
- **Pre-interview/ assessments** to determine the needs of future employees and their readiness or interest in working for the social enterprise.
- **The Resume** to describe one's past life and work experience and potential "fit" for a job.
- **The Interview-**

  "Over the past few years we have really been focusing on making sure we're supporting our workers as well as we can from start to finish. For us, that's meant changing our interview process. A couple of years ago it was very backwards – if they got referred here they thought, "Oh, I'm in." We're making changes to be as real-world as possible with the hope that at the end of the day we're preparing our workers better for what's out there, and that means we're serving them better. We're making sure we're doing everything we can to document and provide assistance to make people job-ready. In no way do I think we've got this perfect but we keep coming up with processes and systems to feel certain that 'after you've gone through this program, I trust you'll be awesome at your next job.'"

- **Work experience/ Experiential test/ Working interview** that allow individuals to demonstrate ability rather than having to talk about it.
- **Self assessments** to reflect on the "fit" between the individual and the job.
- **Letter of Hire/ Letter of Understanding** to outline specific job requirements and tasks in plain language.

  "A person presents a resume and cover letter to [our] hiring desk. They go through a resume screening and job interview. [We] try to make this as much like a real job application process as possible. [We] do not have any information about an applicant's personal history or specific barriers to employment outside of what is on the resume."

4. ONBOARDING AND TRAINING

"When employees come to us, they bring the willingness, the determination, the skills, the desire to learn a trade. They want to learn it and want to continue to succeed in life. Many have had many failures so it is important that they live in small successes."

Graduated Work Schedule/ Trial Period: The ESEs use a graduated work schedule to work new employees up to the hours required. This helps to identify the barriers people experience in the workplace and plan for them. It also is an opportunity for people to grow more work-ready and understand the pace and expectations of employment. Employees overcome many personal challenges while learning about the exchange of value inherent to the "social contract" between employee and employer. There is a trial period ranging from several shifts to six months before an employee is offered steady employment.

Welcoming Process: Some social enterprises have an expanded "welcoming process." It might include orientation, training, tours, policy reviews, presentations, information sessions, security briefs, needs assessment, goal setting and counseling, and wellness planning.

Orientation and Training: Many of the ESEs offer employees a rigorous orientation and training component. Some (24%) are connected to an external training program that refers trainees to the social enterprise. Others (67%) bring people on and provide on-the-job training. Training and orientation often include customer service, professionalism, job specific skills, and health and safety. It can also include a review of workplace expectations and company policies and procedures.

"Keep it real, keep it employment focused […] make sure you refer to the people you help as employees rather than beneficiaries or clients if you can be the primary focus as an employer that's a really good place to be […] you're in a position whereby you can control the relationship with the person who is also building all the skills they need to build a successful life in the future."

5. SUPERVISION

Employment Specialist: Almost every ESE requires someone to perform the role of the Employment Specialist. S/he assesses needs, helps to set and achieve goals, and connects people to supports, training and other employment opportunities. They are called "job coaches," "internal support specialists," "employment specialists," "employment coordinators" or "employment support." There are two slightly different models of Employment Specialist:

1. Someone hired to provide employment support directly to employees. This person may also act as the cheerleader/advocate for employees.

2. Someone hired to build the capacity of supervisors to provide that support to team members. The Employment Specialist provides tools and resources to supervisors rather than directly to individuals.

'In 2009 we saw a need to hire industry-skilled people. We shifted our hiring focus away from

human-service oriented people, and began hiring subject matter (industry) experts and managers with relevant commercial experience. Those are now our managers/supervisors, they train their employees on a scope of work. If the manager recognizes an employee needs an accommodation, they reach out to an Internal Support Specialist, who works with the supervisor/subject matter expert to focus on shifting/adjusting the work.'

Experiential Supervisors: It is common practice among the surveyed ESEs to promote employees to supervisors. These individuals serve as on-site role models with whom other target employees can identify. This increases trust and confidence in the supervisor, the team and in management.

Participatory Management Style: The ESEs often incorporate a type of participatory management style. It encourages employees to "own" and take responsibility for the enterprise, its operations and sustainability. Some enterprises engage target employees in strategy development, in decision-making and to advise the board. This approach to management promotes problem solving and competence. Although present in other social enterprise models, it is most common among cooperatives.

6. LIFE SUPPORTS

"If a person needs something in an area, we do everything in our power to make it happen."

The ESEs are in the business of helping people become successful employees. To that end, most offer "wrap-around" supports that enable people to address barriers outside as well as inside the workplace. Some are accessed from dedicated staff in the workplace, some from the wider community, and some from the other employees. These life supports fall into the following four groups:

Coaching, Counseling and Mentorship: Formal and informal counseling; addictions counseling; referrals to external support services; life coaching; job coaching; case management; crisis management; personal recognition; employment assistance support; inclusive employment support planning; and mentorship and positive role models.

Skill Development and Education: life skills; leadership training; pre-employment training; time management training; financial planning; money management and financial literacy; driver's training; certification (e.g., First Aid, CPR, fall protection, food handlers, etc.); General Educational Development (GED); and computer training.

Basic Needs or Material Conditions for Employment: clothing, food, shelter, transportation, and childcare.

Health and Wellness: healthcare access and support; onsite medical supports; disability management; psychiatric and psychological counseling; wellness planning; medication administration and management; nutrition and dietary support; extended health plans; health and safety nurses; physical fitness; smoking cessation courses; addictions counseling and support; and access to food at a reduced cost.

"[You] have to really, really know your target group – we know about all the impacts of the vulnerable people who access our programs e.g., colonization, residential schools, the Indian Act. We can support them through these impacts and be prepared to wrap them in the supports they need as individuals."

7. WAGES & OTHER FINANCIAL INCENTIVES

"Our aspiration is everyone will get a living wage."

Wage as an Employment Support: Many of the ESEs have a unique perspective on wage levels. They described the desire to pay more than minimum wage, pay above industry standard or to achieve a "living wage." Each of these ESEs makes an explicit aspiration to pay individuals more so they could address issues of poverty and improve their quality of life.

The collected data do not allow clear conclusions to be drawn about wage as an employment support. Enterprises were asked to categorize their wage payments as "minimum," "minimum +," "industry standard," "above industry standard" or "living wage." Barring a comparison with industry wage benchmarks, it is difficult to know if the wage value provided by ESEs differs from sector competitors. However, two observations can be made:

- At least six of the ESEs pay minimum wage (the industry standard in those sectors), supplemented by bonuses and dividends. The ESEs described this as a compromise between remaining competitive and increasing the financial capacity of employees.
- Five interviewees pay a "living wage," which varies from community to community.

Although willing to pay more, most (61%) of the enterprises pay their target employees minimum wage or industry standard (which could be minimum wage). This conflict between desire and reality is indicative of the tension between social and financial bottom lines. Most ESEs operate in sectors with a multitude of low skilled, entry positions. They have to balance the need to remain competitive with their desire to address poverty and transform lives.

Financial Incentives: In addition to wages, ESEs provide a number of financial incentives. They offer profit-sharing and bonuses; matched grant funding for employment development; emergency loan funds; resources to cover accreditation and professional development; pay advances; loan programs; and employee incentives (such as gift cards) and referral fees. These practices, while characteristic of ESEs, were not perceived to be common among mainstream businesses of comparable size and sector.

8. FINANCIAL LITERACY

Shifting Out of Poverty: For many ESE employees, poverty is a reality. As they start to earn an income, they begin a transition out of poverty. Sometimes this requires that they gain basic financial literacy skills, such as opening bank accounts, budgeting, paying bills and planning. The transition is not always easy. For some, additional income can trigger other issues, such as addictions. Life supports are there to help employees address these social and psychological impacts of their higher income.

9. NON-WAGE SUPPORTS

Uniform and Equipment: Many target employees start work in a state of income

insecurity. Almost all the ESEs therefore supply employees with uniforms and equipment. Some provide the initial equipment required. Employees then purchase additional equipment or have its cost deducted from pay cheques. Some ESEs even offer professional clothing for interviews when workers transition to mainstream employment.

Transportation: Many of the ESEs assist with transportation to and from worksites. They offer public transportation vouchers, carpooling with other staff members, and driver training and licensing. Some even provide small loans for the purchase of a vehicle.

Food: Several ESEs provide food on-site for employees. Alternatively, arrangements with a food security organization enable employees to get food.

10. COMMUNITY BUILDING AND ORGANIZATIONAL CULTURE

> *"Everything is done from a position of kindness."*

Creating a Family-like Environment: Many of the ESEs describe their work environment as a close community or "family." They go to great lengths so employees feel comfortable and accepted, no matter what their capacity level and needs.

> *"From the get go we create a safe place and a community. When they come here there is no one judging them. They feel they belong here. A "community of belonging" sums it up nicely. People sense a caring environment and one of acceptance.*

Natural Support: "Natural support" refers to the relationships that grow up between employees and their care for each other. Natural supports are demonstrated and encouraged in the workplace through informal helping practices. ESE workplaces mix together people of different skill level, personality, capacity and life experience in pursuit of a common purpose. Community building is also incorporated as an employee support.

> *"We also offer opportunities for socialization. We have pizza lunches, go bowling, have BBQs. We have social committees at all the depots."*

Community Connection and Engagement: In addition to internal community-building (hosting events and employee recognition), many of the surveyed ESEs undertake external community engagement. The latter include attending cultural events, support for volunteering, voter registration, and opportunities for community leadership.

> *"Connectivity and become more connected in the community, even if they leave us at some point they make connections that sustain them for years that they didn't have previously."*

11. PERFORMANCE REVIEWS, PROMOTION AND DISCIPLINE

Individual vs. Relative Merit: The surveyed ESEs base their hiring decisions and performance assessments on individual merit more than relative merit. So an employee's performance is not measured and compared to other employees, but against his/her own goals and achievements.

Discretion: Tension between discipline and flexibility is common. The staff and

management of many ESEs exhibit a high degree of compassion and tolerance for people. In other circumstances, staff might use their discretion and take much more strict disciplinary action. The ESEs work hard to keep people employed. However, they terminate employment when someone clearly is not ready to commit to the work or puts at risk the viability of the business.

Employee Recognition: The ESEs expressed their concern about using the standard methods of employee recognition based on product or service outputs. When recognition is based instead on a combination of business and individual goals, employees who work to their utmost day-in and day-out can also be seen as "top performers." The ESEs recognize their employees with awards ceremonies and appreciation days. A few mentioned that they have turned their recognition program into a peer-based process. Peers can nominate their co-workers to receive awards and acknowledgement for their contributions.

Transitional Support: The surveyed ESEs consider it a success when an employee transitions into mainstream employment. They actively support the efforts of employees to find other work.

> *"Some of our successes cost us extra money in HR. If our employees can improve their employment and move out of our enterprise, this could be seen as a disadvantage, but it is actually a success in our eyes…"*

6.3 Inventive Practices

From the many interviews, seven practices emerged that are interesting and promising, but practiced by only one or a few ESEs. The research team felt that they deserve recognition in this report as "inventive practices":

1. **Prequalified Labour Pool:** Several ESEs conduct pre-assessments in order to identify a group of people that is ready to begin working. They can then call up these pre-qualified individuals and move them immediately into employment without the lengthy processes of recruitment, screening, application, hiring, orientation and training.

2. **Customized Employment Model:** A few organizations running multiple social enterprises have a customized employment model. Employees can explore employment options in different businesses for a period of time before choosing the job that is the best fit. This gives individuals greater autonomy and control over their work environment. The model requires that multiple employment opportunities and workplaces are available, however.

3. **Addressing Low Literacy:** Some ESEs use colour-coded marking systems to enable employees with lower degrees of literacy to identify work tasks, instructions and progress, among other things. These systems are used for sorting, tracking, processing, progress updates and many more applications. Other enterprises use plain language in their training and employee materials and/or videos tailored to their employees' learning needs.

4. **Ongoing Incentive for Employee Referrals:** One ESE offers its employees incentives for referrals to new hires. Rather than mere one-time referral fees, these incentives are rewards given to existing employees when: 1) they refer new

employees and the employee is hired; 2) the employees they refer manage to complete a three-month probationary period; and 3) when the employees that they refer go on to complete six months of work. These incentives are an effective way to create a workplace culture in which peers support one another's efforts to succeed on the job.

5. **Experiential Tests and Interviews:** Some ESEs use working interviews and tests to circumvent individuals' lack of confidence or communication skills. These methods appear to be more effective than conversational interviews when gauging the tasks some people can perform.

6. **Multi-modal Training:** Video, pictures, conversational tests, colour coding, mobile applications, and demonstrations (to name a few) are all used to make training programs accommodate employee needs, capacities and learning styles. Such adaptive training methods are commonly cited by ESEs that employ individuals with developmental disabilities.

7. **Employee-Designed Supports:** One ESE which employs people with disabilities asks them to design supports to help meet their personal work needs. The employees' ideas are then uploaded into a central database to track and plan for future accommodations. Many ESEs involve their employees in identifying and planning the supports they need in order to be successful.

7.0 Financial Implications

7.1 The Cost of Human Resources and Employment Supports

Of the ESEs studied, 17 make a surplus, 10 break even, 14 are subsidized, and 4 reported a deficit. The responses of 5 enterprises were unclear. Whether they are subsidized, break even or make a surplus, one thing is common to all: surpluses, resources, and earnings are re-invested back into the enterprise or parent non-profit. As one interviewee affirmed, *"We are a $6M business, 20% of which is margin. The margin we make is invested back into the programming."*

Social enterprises incur financial costs in order to support and employ their target populations successfully. In the interviews, managers expressed the belief that in certain respects the costs of running an ESE exceed those of private companies of a similar size in the same industry.

> *"The business model is very labour intensive – employment costs are a large component of our overall costs."*

There are five main areas in which the surveyed ESEs tend to incur additional costs:

1. **Productivity cost:** Some ESEs intuit that the lower capacity of target employees when first hired translates into a productivity cost of 20-30%. Lower productivity can be due to the time required for on-site training and the supports needed to build work skills and employment capacity.

> *"The costs increase with training because of the large influx of new participants."*

2. **Higher expenditure on salaries and benefits:** The need for supervision is greater

in the ESEs. This necessitates hiring additional staff resources. It is common for the surveyed ESEs to have a greater manager/supervisor to frontline worker ratio. Consequently, there are more positions paying a higher wage. In addition, supervisors/ managers require both industry and business management knowledge and an ability to manage and address employee challenges.

3. **Small businesses providing extensive supports:** The costs of informal counseling, mentorship, flexibility and the many other employment and life supports (see Section 6) can be significant. Often the social enterprises offering these supports are small operations. The question arose as to whether other small businesses in similar industries offer the same level of integrated supports. Some of these costs are absorbed by the parent organization, or covered by community partners and/or supported by funders.

4. **Higher HR costs:** In the surveyed ESEs many of the mechanical and more complex functions of traditional HR management are expanded. These functions include posting jobs, screening, interviewing, and hiring. These are all common HR functions, but more time intensive. They require a slightly different skill set than traditional HR managers usually have.

5. **Extended health and dental benefit plans:** Many of the ESEs offer their employees extended health benefits. This can be very expensive due to the complex health and individual needs of employees. Other ESEs do not need to provide such benefits because their employees receive government health benefits. An ESE's context needs to be understood in order to assess the financial implications of these benefits.

7.2 Measuring the Cost of Employment Supports

Most social enterprises try to calculate employment support costs as a percentage of annual revenue. Some interviewees reported that the average cost per employee remains stable. Others claimed that the actual (not the average) cost per participant fluctuates widely with the workforce mixture, employees' barriers and the employment supports provided. In addition to the percentage of overall revenue, many ESEs also track the cost of their employment support model in other ways:

- As a percentage of payroll
- Fixed costs per employee
- Allocated staffing costs

Many support costs differ according to the ESE's focus. The chart below shows differences in support costs between ESEs focused on transitional employment and those focused on permanent employment:

	Focus on Transitional Employment	Focus on Long-term Employment
Initial training costs	High	High
Ongoing training costs	Fluctuates	Stable
Average employment support cost per person	Fluctuates	Stable

Target employee retention	Low	High
Recovery of employment support costs	Low	High

Of the 49 ESEs interviewed[10], 21 provide transitional employment opportunities and 28 offer long-term employment. Of those 28, 20 reported achieving break-even or surplus. By comparison, transitional ESEs are mostly subsidized, though 7 reported breakeven or surplus revenues.

At start-up, some of the ESEs employ a higher percentage of non-target employees. That enables them to stabilize productivity levels, demonstrate reliability and develop a reputation in the marketplace. More mature enterprises are more likely to have trained and developed the capacity of their target employees so they can assume more responsibility in day-to-day operations.

Likewise, the employment supports offered to individuals is more intensive at the start of their employment and diminished over time. The ESEs offering long-term employment enjoy a financial advantage. Higher staff retention both reduces the cost of employment supports and stabilizes training costs. Social enterprises that focus on transitional employment have to take into account intensive up-front training and employment supports as well as ongoing employee turnover.

> *"… while participants who only flow through the three-month training period and then move onto full-time work elsewhere are perhaps slightly more expensive. Our long-term co-op member employees ensure the sustainability of the enterprise into the future."*

There were four main benefits to the investments that the surveyed ESEs make in their employees:

1. **Higher retention and lower turnover:** Over time, high retention rates enable the recovery of training costs, especially among ESEs focused on long-term or permanent employment. This is a key finding since many of the ESEs operate in sectors that offer low-skill jobs (see p. 26). These sectors report high turnover in staffing, and accordingly bear the costs associated with ongoing recruitment and training. If ESEs incur similar recruitment and training costs while managing to retain staff, then ESE practices might offer a promising example to other actors within these sectors.

2. **Parent organizations provide administrative support:** Parent organizations often absorb some costs of administration, especially in newly launched ESEs. These contributions help them manage operational costs, at least initially.

3. **Training and employment support costs can be funded:** The ESEs perceive that funders are more likely to fund training and/or employment supports than operations or business development.

4. **Many employment support costs were offset by community partners/collaborators:** Many community agencies receive funding for employment and/or life supports. In order to provide their workforce with the necessary supports,

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10 One of the 50 interviews was incomplete.

it is common for ESEs to partner with such agencies. They complement the ESEs' employment support practices with community assets that are already on hand.

8.0 Impacts & Challenges

8.1 Impacts for Target Employees

"When an employee receives a pay cheque every week, it changes his life. Some were able to buy a car, a house, to afford a vacation …"

The surveyed ESEs generate substantial impacts for target employees. A few ESEs systematically document those impacts or "outcomes." For the majority of ESEs, the observations of staff members, funder reports and employee surveys are the primary sources of information on this subject. Despite this lack of rigorous measurement, their anecdotal evidence points to similar impacts being generated in 50 different locations.

The following is an overview of the impacts reported by research participants. The impacts range across five broad categories:

1. The ESEs are successful in **addressing the barriers** originally faced by their employees, and reported a number of tangible signs of that success:

    - Work experience
    - Work skills and ethic (being on time, completing work in a timely manner, quality of work and pride taken in it)
    - Professionalism and customer service skills
    - Expressed understanding of employer expectations
    - Relevant and practical training, qualifications and certifications
    - Educational achievement such as completing GED or education programs
    - Reduced recidivism
    - Reduced dependence on social assistance

2. Employment increases **financial stability** in the lives of employees. They reported a greater ability to pay for life necessities, such as childcare, good food and adequate housing. Individuals acquire financial literacy tools and employ money management skills effectively.

3. Employees **improve in physical and mental health**, measured in terms of work absences, hospitalizations, medical leaves and access to health services. Another reported result of employment is a reduction in drug and alcohol use.

"Self confidence; having the opportunity to make a commitment to a schedule; a sense of purpose. They become a productive member of a community. They gain work experience they can talk about at their next interview, and a good work reference. They are able to talk about how they have responded to difficult customer situations, respond respectfully even in conflict. They learn to wear a uniform right, use the right words when talking to people."

4. An **increased positive personal perception and confidence** is demonstrated in the following ways:

   - follow-through and perseverance
   - dedication
   - willingness to learn
   - taking initiative
   - willingness to try new things
   - personal responsibility
   - sense of pride
   - purpose and meaning
   - accomplishment
   - recognition for their contribution
   - increased feeling of productivity

5. An interesting impact is **increased community and family connections**. The workplace offers greater access to support networks, a sense of belonging and a larger social network. Because they have learned to work in a team setting, employees experience more positive interactions and relationships. Employment has a positive trickle-down effect on children and families and increases connectivity to the community overall.

All these impacts in turn increase the likelihood that individuals will stay employed and lead healthier lives.

> *"It takes time to work through life issues and get emotionally ready for work. You can't teach this in a lecture format, they have to live it and learn as they go. It's a slow and long process."*

Many interviewees also identified broader, systemic impacts. One mentioned reduced caseloads and higher job satisfaction for probation officers. Many made the point that social enterprises reduce the overall cost of the social safety net in terms of policing, hospital and shelter stays. One ESE conducted a Social Return on Investment (SROI) analysis and calculated that for "every $1 invested, [we] return $17.30 in social value." Another SROI analysis reported a 1:3 return on investment to community and government. Individuals who once have been a cost to the social service system become income earners whose tax payments contribute to the overall welfare of others.

> *"We are meeting unmet needs, like any other business. We're trying to avoid competition with small market niches. (parent non-profit) provides overhead costs, heat, hydro, water. If it were totally self-sustaining, you'd call it a business, but there is a cost beyond what we can earn. However, for that cost, we provide a demonstrable benefit, in terms of policing costs, in terms of medical costs and in terms of general social wellness."*

8.2 Challenges Faced By Social Enterprises

To realize those impacts, the ESEs have to overcome or manage a number of challenges. All relate to one fundamental issue: how to operate a viable business whose employees

face multiple barriers to employment. The challenges can be organized into six categories.

Challenges Related to Welfare/ Income Assistance

Many of the surveyed ESEs employ people who are also receiving government social assistance benefits. These benefits tend to have earned income limits. Once that limit is reached, each additional dollar earned means a dollar deducted from benefit payments. Many employees only schedule work up to the allowable number of hours or miss work shifts as they near the earned income limit. Employees (especially those with disabilities) often worry about losing their benefits. If something goes wrong, they wonder if they will be able to access benefits again. In addition, one benefit is usually accompanied by others, such as subsidized housing and transportation. For many employees, the economic and emotional transition from stable benefits to changing benefits seems too big of a jump. The cost to the ESE is also significant: it has to fill those shifts and hire more employees. Many of the ESEs were critical of the disincentives to work built into social assistance.

Industry/ Business Challenges

The ESEs described a tension between the needs of the business and the needs of the employees. Although employing people is an ESE's raison d'etre, the business needs to operate competitively in order to employ people. The conclusion was that the business and customers need to come first. Supports enable employees to play an active and meaningful role in a prosperous business. It is this approach that achieves the social mandate most effectively.

Another challenge, particularly when supporting people with literacy, intellectual or mobility limitations, is to adapt the industry to the employees. Everything from training manuals to transportation to equipment might require alteration in order for employees to use it or operate it.

Employee Challenges

Target employees present their own set of challenges: the very challenges that the surveyed ESEs are helping people to overcome. The challenges range from the logistical (e.g., people don't have a phone so they are hard to reach) to the behavioural (e.g., employees who don't show up or call). For many employees, this is their first job in years. So it takes time for them to physically and mentally acclimatize to the new environment of work.

The ESEs respond to these challenges with their flexible work environment. They make sure back-up staff are available and can let people go if they were not a fit for the business.

> *"It's ingrained in our DNA, we're a second chance company, we'll give you a shot but we're not afraid to fire you – or promote you. It's an art to knowing when enough is enough, when to stay no and how to hang in there with a certain employee."*

Management/ Supervisor Challenges

Managers and supervisors are tasked with running a business and providing support to employees. It is difficult to find staff that had a strong skill set in both these areas. As one interviewee noted, "There are no such courses in this in local colleges." Finding the right pay scale is difficult. Industry pay norms frequently differ from human services pay norms.

Once the right people are found, the task was to encourage them to stay. Staff work hard. They are required to step into a variety of roles and to fill in during times of crisis. The ESEs spend time figuring out the best back-up ratios in order to reduce the burden on core managers and supervisors.

Employee/ Job "Fit"

The ESEs talked about the importance of job "fit" between target employees and the industry. Some ESEs were very clear about the employee challenges they do not support. Some do not hire people unless they are "job ready." Others design their ESE from the ground up to create employment opportunities appropriate to a specific population, as per their mandate.

Some interviewees also emphasize that the work should be of interest to job applicants. It is more than "just a job." Applicants need to want to do or to like the work offered.

"There needed to be a fit between industry, supportive staff skills and employee needs."

Financial Challenges

Every business has its financial challenges. The surveyed ESEs face a unique set of challenges in addition to regular sales and operational costs. Interviewees frequently mentioned the added costs and reduced productivity related to fulfilling the employment mandate. They also cited lack of access to flexible funding at start-up and to help fund operations during the enterprise's early stages. (See also Financial Implications, Section 7.0.)

9.0 Impact Measurement

Social Enterprise Success is Employee Success

When interviewees reflected on their "success," the success of employees and the success of the business were one and the same. Success in the marketplace amounts to more opportunities to employ people. The demand for jobs in supportive work environments is much greater than social enterprises can provide, so the ESE is continually under pressure to grow.

Most of the surveyed ESEs do some tracking and documenting of their social impacts. Many recognized the need to do more still, and expressed a desire to improve their internal evaluation practices. The ESEs rely primarily on anecdotal information to track

benefits to employees. They often don't have the systems or resources to follow-up with current or past employees in order to understand long-term impacts.

Many of the ESEs record employment outcomes for current employees with basic or funder-designed metrics. A few seek feedback from employees through surveys and interviews. Impact measurement is a particular challenge for the ESEs that transition people quickly. The information they collect does not provide enough data to derive quantifiable conclusions about the enterprise's impact.

An exception to this trend is an Australian ESE that uses a multi-generational lens to measure success. They define "success" to be when children of their employees succeed educationally and break the cycle of poverty. Other exceptions are ESEs that conduct a formal Social Return on Investment (SROI) analysis. On that basis they are able to quantify their impact and overall cost savings to communities and government.

The methods that ESEs reported using to track and document their outcomes include the following:

- Consultations
- Focus groups
- Employee impact surveys
- Story telling
- Feedback forms from workers
- Attendance records
- Performance reviews
- Follow-up interviews after employees move into mainstream employment
- Logged hours on the job
- Essential skills development tracking
- Intake and midterm assessments
- Sharing data with other organizations and support services
- Case management journal notes
- Employee wellness questionnaire
- Participation on committees

Participants of in-depth interviews mentioned the following indicators, among others:

- Advancement in the enterprise
- Job retention (after employees transition to mainstream employment)
- New positions
- Absenteeism rate
- Waiting list for employees to work in the enterprise
- Total employment offered
- Total employment links made successfully
- Employee production

- Number and frequency of relapse
- Educational enrollment and completion
- Number of hours of on the job experience
- Consecutive months of retained employment
- Total earnings

All these indicators and methods notwithstanding, ESE practitioners expressed their desire for a more standardized, efficient and effective measurement of employment success. Note that most of the research was conducted with ESE management, and not with the employees themselves.

10.0 Supportive Eco-System for Social Enterprise Growth

Respondents identified six main ways in which their eco-system could become more supportive:

- Role of Government
- Supportive Policy Framework
- Procurement Opportunities
- Social Assistance Regulations
- Financing
- Collaboration

Role of Government: Overwhelmingly, the ESEs called for government to value and recognize the contributions they make to the alleviation of unemployment and poverty. This recognition could open a dialogue about the supports required to expand and deepen the social impact of ESEs.

Supportive Policy Framework: The ESEs are restricted by a number of policies that determine investments, legal structures, taxation, social assistance, labour standards, procurement and corrections. Many ESEs observed that these policies were out of date. They are not conducive to the hybrid objectives and structures that enable an organization to blend social and financial outcomes.

Procurement opportunities: Public procurement policies were generally viewed to be restrictive. Big contracts, short procurement time frames and a primary focus on financial value all discourage social enterprises from participating.

Several respondents made suggestions for changes to public procurement policies. 1) Make contracts smaller in size. 2) Permit small enterprises to bid as a group on larger contracts. 3) Commit to purchasing a percentage of contracts from social enterprises. 4) Add a metric for social responsibility and social impact in the scoring of public bids.

"Eliminating a profit-driven philosophy and letting potential contracts know of the focus

of the program could present itself as a significant competitive advantage when our social enterprise goes to the market looking for contracts."

Social Assistance Regulations: Many ESE employees receive disability assistance, income assistance or employment insurance. Several policies make it difficult for ESEs to employ their target population fully:

- Earned income limits cap the amount of money someone can earn and still receive income assistance. Once the limit is reached, a dollar of income assistance is deducted for every additional dollar earned. This acts as a disincentive to work. It also limits the ability of ESEs to increase a person's hours of work to match his/her growing capacity. Instead, many people have to be employed at reduced hours, which adds to the ESEs' higher administrative and productivity costs. It takes growth in capacity and a significant transformation to move away from poverty. In light of that, several ESEs suggested graduated reductions in income assistance instead of a hard cap. This would allow income assistance recipients to reduce their support payments gradually. Their lives would not be destabilized, and the incentive to work would be retained.

- Social assistance income is often accompanied by a suite of other supports: extended health benefits, housing supports, transportation subsidies, access to programming, and training and education supports. As people earn more income, many of these supports are re-evaluated, reduced or provided at market rates. This too can be a disincentive to work. Employees are concerned that more work could result in a loss of core benefits.

Financing: The surveyed ESEs realize varying amounts of financial support for their employment mandate in a number of ways. These includ labour market wage subsidies, grant programs, patient loans and social finance investments.

Most of the ESEs listed restrictive and/or lack of adequate funding as a major barrier. Investment finance is largely unavailable to them. They therefore depend on funding and loans to finance start-up, growth and operations. Funding is especially needed for 1) capacity building; 2) HR and employment supports; and 3) flexible and patient funds for enterprise growth and development.

Collaboration: Collaboration between ESEs, or between ESEs and private enterprises, may enable them to compete for public contracts. Marketing and sales funding could be made available to unique social sector consortiums. (The members would commit to promoting their services and applying for funding as a group.) Market competition could be addressed through strategic partnerships between the private and social sector. Close ties with government partners could help create an environment in which ESEs and social enterprises in general could thrive. Industry partnerships and connections would help ESE employees make a seamless transition to mainstream employment.

11.0 Conclusion

Employment social enterprises (ESEs) have a transformative impact on the lives of people facing multiple barriers to employment. The focus of the research was not on the target populations but instead, it focused on overcoming the barriers that people face in obtaining and maintaining employment. The ESEs surveyed for this research fall into two main categories of Transitional ESEs, operating between training programs, employment agencies and mainstream employment and Long-Term ESEs that provide the supports with the intention of retaining and maintaining their workforce.

The results of this report are based on extensive, qualitative data from 50 interviews and 16 case studies, in addition to a large body of accepted knowledge:

- Certain populations exhibit higher rates of unemployment than others.
- Such populations consistently report encountering barriers to mainstream employment.
- The primary barriers to employment are low literacy, gaps in work skills, gaps in work history, addictions, mental illness and poverty.
- Employment can have a transformative impact on people's lives.
- ESEs exist to reduce barriers to employment and support people's efforts to grow more skilled and assured, in and outside the workplace.

  "Because we care and see them as individuals who have become part of a healthy and strong culture, we make them happy and strong and they give back."

Some individuals do not face one barrier to employment, but several. Three factors increase the likelihood that a person will face multiple barriers to employment:

1. **Demography:** belonging to a vulnerable population (e.g., youth)

2. **Demography-Linked Barrier:** experience of barriers related to being a member of a vulnerable population (e.g., youth who have not completed high school)

3. **Employment Barrier:** experience of any one barrier which significantly limits access to the labour market (e.g., lack of work history or lack of skills)

Many people facing multiple barriers to employment require significant supports to find and maintain employment. Employment itself, especially with ESEs, directly increases social interaction, builds a person's capacity and his/her ability to earn income.

  While on the surface, these workers appear to have a lot of barriers, the truth is they are hungry for opportunity. They want this job more than anyone and they give all they have. They are very humble about their work, too. This work ethic is valuable to the enterprise.

Many variables influence the approach taken by an ESE, the systems it applies, and the success of those choices. That said, a number of commonalities emerged which are unique to social enterprises:

- Work is made to fit an individual's circumstances and individual needs. This can mean tailoring job descriptions and scheduling to the individual, allowances for work absences, and extended leave. ESEs adjust business operations to meet these levels of flexibility and accommodation with various pools of staff to cover

for employees as needed.

- Recruitment occurs primarily through the parent non-profit and/or the network of community agencies. Such partnerships are highly advantageous.

- Hiring practices mimic the mainstream. However, the interview process and probationary period are often supportive, experiential and graduated.

- Even though some employees come from training programs, the ESEs conduct a great deal of training on-site.

- The surveyed ESEs tend to operate in sectors that have an abundance of low-skill, entry-level jobs. Competitive wages in these sectors tend to be minimum or low.

- Many of the ESEs aim to pay above industry standard or to achieve a living wage. Some ESEs also offer bonuses and other financial incentives to employees.

- Wrap-around supports are a distinct aspect of the practice of these ESEs. Designated staff members or supervisors are usually responsible for matching employees with a wide range of in-house and community supports. Other distinctive features are financial supports (funds for housing or training, for example), non-wage supports (uniforms and transportation, for example), and financial literacy training.

- The ESEs build a culture of community and "family" within the enterprise. They plan social events and promote employees who then serve as role models. They also create situations in which peer-to-peer relationships can develop.

- When people move from the ESE to mainstream employment, the event is celebrated as a sign of success.

Wrap-around supports carry a cost, both in terms of productivity and direct costs. The revenues of the surveyed ESEs are mostly market-based, and supplemented by some funding for employment supports, operations and assets. How great a role funding plays in meeting these costs depends on employee needs, the workforce mixture and supports offered.

The surveyed ESEs are constantly balancing business and social objectives. They need to provide a competitive, high-quality product or service while managing employees who require significant training and supports. It is a unique model that may carry higher costs to the business but offers significant cost savings to society, and can be life transforming for employees.

The impacts on individuals go beyond providing skills and work experience, to include significant impacts that are less tangible such as financial stability; improved mental and physical well-being; improved confidence; and increased community and family connections. Society and our communities benefit from reductions in social assistance usage and from the income taxes paid by employees.

Most of the surveyed ESEs measure their impact on employees, but there may be an opportunity to develop scalable reporting metrics and methods that can be used to calculate the impact of the entire sector.

ESE is not an easy model to implement. It carries significant risks. Margins are often tight, while solid profits are hard-won and a long time coming. However, the transformative impact of this work on individuals and even greater benefit to society creates a powerful

motivator. The next step is to ensure there is an eco-system where ESEs can flourish and their impacts can be scaled. We leave the last word to one of our interviewees:

> *'The key to our success is based on our knowledge in the field, our awareness of our environment and our perseverance. Everyone is 100% committed. The vision is the common and shared and everyone adheres. This is not a private business, it is a human business."*

12.0 Recommendations

These recommendations aim to answer two questions:

1. How can we replicate the lessons from this report to strengthen the employment social enterprise sector?

2. How do we share these lessons with the wider audience of mainstream businesses, funders and policy-makers?

This report identifies the role played by social enterprises in supporting people facing multiple barriers to employment. To truly value that role, the eco-system supportive of social enterprise must be understood and enhanced. Elements of such an eco-system could include:

- Social assistance regulations that incentivize work
- Funding to support employment supports and social outcomes
- Patient financing and investment
- Procurement opportunities that are accessible to social enterprises
- Industry partnerships
- Technical assistance
- Strong community employment and support agencies

12.1 Recommendations to New or Existing Social Enterprises

When considering or operating an ESE, it is important to keep in mind that HR and employment practices exist within a larger context. That context includes governance, business models, industry trends, market feasibility and financial sustainability.

The following recommendations are specific to HR and employment support practices.

1. Project **start-up funds sufficient for at least five years of operations.** Starting any new business is expensive. This is especially the case when that business will incur substantial costs of training, onboarding, and employee support. It is important to project the costs for an ESE's first five years of operation, and the revenue streams that will cover those costs.

2. When planning an ESE, establish whether the goal is to create opportunities for stable, **long term employment** or for **transitional employment**. Then clarify the implications of that goal for the ESE's financial and social impact.

3. Describe the path which employees generally will take through the ESE (the

"lifecycle" of their employment). **Project the personal needs they may experience along the way and the cost of the related life supports. Develop a financial strategy** for providing these wrap-around supports. It must realistically gauge the revenues, fundraising, corporate partnership or the ability of external funders to meet these costs.

4. Consider all the essential factors when determining your **workforce mixture** (see p. 16). Few workforces are comprised 100% of target employees. Think about what is affordable and sustainable.

5. Ensure a **high-quality service/product and smooth business operations** either by cross-training staff or maintaining a casual labour pool.

6. Develop **interview practices** that help build the capacity and confidence of applicants.

7. Employees might not work out. In such cases, let the business needs of the ESE take priority. Develop **policies and practices for compassionate termination** of employees who you do not have the resources to accommodate.

8. Designate an **employment support role.** If that cannot be managed internally, partner with a community agency to help deliver life supports.

9. Focus on **individual merit rather than relative merit** when hiring, reviewing performance and promoting the business.

10. Explore the **existing shared health plans** which the ESE might join. Industry associations and local Chambers of Commerce offer plans, for example. Assess them critically. Pick and choose the aspects that will meet the needs of target employees.

11. Find the **right work** for your target population.

12.2 Recommendations for Policy-Makers

1. Clearly **identify and formally include ESEs** within government employment programs (e.g., as training institutions and agencies that provide customized employment support). Consider a variety of financial supports for ESEs such wage subsidies, in recognition that ESEs are employers that play a specific and ongoing role in support of people facing multiple barriers to employment.

2. Compensate social enterprises for their **training and employment support** role related to government employment programs or other programs working to address issues of unemployment.

3. Effective practices in employment support require sound businesses. Include social enterprises in government business development resources and activities:

    » **Increase ESE access** to the suite of services and programs already available to private sector businesses and entrepreneurs. Clearly identify ESEs in SME programs and supports.

    » Make **procurement opportunities and procedures** more accessible to ESEs. Establish a metric for community benefit in the scoring of public bids.

4. Update/**improve social assistance policies and regulations** to ensure that they do not create disincentives to work. One suggestion is to explore graduated reductions

in social assistance once recipients reach a threshold of earned income.

5. Ensure funds are available for the development of **easy-to-use tools based on sector-driven research.**

   » A tool to systematize and track ESE outcomes.

   » A tool to quantify the cost savings and benefits of employing people who face multiple barriers to employment.

6. Re-assess the **workplace policies** of big employers and unions to **ensure an inclusive employment model**. Many large employers (including government) have unionized workplaces that offer many supportive benefits to those who gain entry. Full-time employment, working hours with set times and breaks, and specific time allowances for sick time or family leave are all good policies in general. Unfortunately, they present barriers to those who need flexible and accommodating workplaces.

7. Move away from short-term, project-driven funding and towards **long-term investments in ESEs based on their mission and impact.** Accompany this transition with greater access to public procurement opportunities, partnerships, funding, tax credits and investment opportunities.

12.3 Recommendations for Researchers

1. Research **different financial models for social enterprise.** Compare them across industry sectors. Some factors to consider are:

   • Human support hours

   • Diversity and range of supports offered to employees

   • Financial cost

   • Productivity loss

   • Existing HR policies

   • Financial benefit

   • Costs related to employee turnover

   • Savings related to employee retention

2. Emphasize the **voices of employees** in future research. This will ensure a better understanding of the challenges, benefits and impacts of being employed and supported by an ESE.

3. Develop a **long-term tracking and monitoring system** that will provide a deeper analysis of labour market integration, employment retention and social impact.

   » For example, embark upon **a longitudinal study with a broad geographical sweep to determine the longer-term impact of ESEs on communities and regions.**

4. Research and create an **outcomes tracking and measurement toolkit.** It should collect and compare data across the sector as a whole and be easy for social enterprises to use.

12.4 Recommendations for Community Partners, Intermediaries and Funders

1. Develop and participate in a **provincial strategy to encourage the growth of ESEs. T**he strategy should identify key aspects of social enterprise eco-systems, communities of practice and provincial mechanisms to support and scale. It should also fund an "animator" to support the development of community partnerships and a social enterprise network.

2. Develop a **practical template** (similar to an SROI) with which to measure outcomes and quantify the community benefits generated by the social enterprise sector.

3. Create a **costing tool** to help clarify the degrees or depth of support practices that ESEs use. This would enable existing and aspiring social enterprises to make more accurate financial projections.

4. Move away from short-term, project-driven funding and towards **long-term investments in ESEs based on their mission and impact.** Co-ordinate this shift with greater access to procurement opportunities, partnerships, funding and investment opportunities.

5. Build local capacity to **deliver technical assistance** outside BC's Lower Mainland. This would enable organizations to identify market opportunities and support ESEs across the province.

6. Develop a **common language** to further understanding of the "principles of practice" that ESEs embody. This research project may serve as a start. It helps to identify the core principles applied by ESEs to create a unique workplace culture for people who are remote from the labour market. It also may provide the basis for the definition of policies that complement rather than conflict with these principles.

13.0 Appendix

13.1 Interview Template

Target Organizations:

- Social enterprises: they are businesses; they create community impacts and social values; and they limit or don't have distribution of profits and assets to individual share holders.

- 4 criteria:
  » are market-based (real goods/service for real money), and

  » have a mandate to employ people who face multiple barriers to employment, and

  » offer employment with supportive employment practices/ HR policies, and

  » have been in operation for at least 5 years.

Target Interviewee:

- General Manager or Employment Support Coordinator

- Individual who works directly with employees, understands their employment needs and barriers and can speak to the employment support model of the social enterprise

Interview Purpose:

- To gather quantitative data on employment-based social enterprises as a sector
- To gather qualitative data on successes and challenges of social enterprises in employing individuals facing barriers to employment
- To identify case study subjects

Interview method:

- Email with indication of data requests
- In-phone interview approximately 1 hour
- Potential follow-up email