Social enterprise – innovative approaches to promoting the labour market participation of people with disability

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CDERP
Evidence Based Employment

Work First
A Customised Approach to Employment

This project was established to investigate how a *Social Enterprise Framework* could be developed and used as a mechanism to transition disability focused enterprise's (Australian Disability Enterprises) into a variety of employment opportunities that secure meaningful, rewarding, and sustainable employment for people with ID.

The project was undertaken by Peter Smith under the guidance of Prof. Keith McVilly. HREC approval was given by Deakin University.

Funding was provided by a Victorian Service Provider.

We set out to determine the following:

- The essential features of Social Enterprise.

- The enablers and barriers which have previously been identified in the implementation of successful Social Enterprises.

- The advantages that Social Enterprises could offer with respect to the promotion of the social and economic inclusion of people with Intellectual Disability.

- How a Social Enterprise model might prove to be both an ethically responsible and commercially viable legal entity to promote employment opportunities and social inclusion for people with a disability.

A Three Stage Process:

- A Systematic Literature Review.

- Research Interviews conducted with ADE staff and management of successful social entreprises.

- A Pilot Project.

The Literature Review Findings.

An initial literature search was conducted using the term "social enterprise" and confining the search to peer reviewed journal articles available online. This search generated 3,686 search results across 50 categories.

Using the terms "Social Enterprise" and "supported employment" provided 135 results with a relevant focus on the employment of people with disability.

The Five Essential Features of Social Enterprise are:

1.   A business activity that is commercially viable (addressing an identified market niche), generating sufficient income to meet all the usual obligations of a business entity, including the payment of a *living wage* to all its employees.

2.   The primary purpose of the business activity is to address an identified social need, such as the social and economic inclusion of people who experience marginalisation in the community.

3.   Staffing arrangements, where marginalised persons are both the focus of the mission and actively engaged (i.e., employed) in the business. Commonality in near equal proportions to those persons whose needs are the focus of the businesses' mission, and mainstream business in the community.

4.   All workers are 'employees', with all the rights, privileges and responsibilities associated with this socially valued role, not 'clients' or 'service recipients'

5. Work allocations (together with potential career and promotional pathways) overall do not necessarily distinguish between employees, in terms of if they are a member of a focus population, or from the mainstream of the community, with wage structures reflecting this relative equality in the distribution of responsibility.

We found a tendency in the community for ADE's to rebadge themselves as Social Entreprises without changing business practices, much in the way that Sheltered workshops in Australia were rebadged as Australian Disability Entreprises.

This view was expressed by a number of disability employment experts worldwide. This practice was common in the USA before full reform started.

Consistent with the findings, unless award wages are paid, then it isn't a social entreprise. Indeed this is becoming a global trend, a trend towards full citizenship in wages.

Enablers of Successful Social Entreprise.

Seven Factors become apparent in the literature.

1. Strengths-based assessment guides initial employment, placement, task allocation, and subsequent in-service training.

2. Work intentions are a guiding force to initial employment and placement, rather than just a focus on skills.

3. Customisation of work activities and production requirements, and the training needed to achieve in these activities.

4. Social Entrepreneurship as a driving force, and especially a characteristic of key leaders.

5. Fostering social entrepreneurship as a characteristic (and ability) of each individual employee is an intentional goal of the business.

6. Leadership intentionally and strategically fosters and leverages shared values among the entire workforce, to maintain a common focus on the businesses mission, recognising that this is also a key driver of commercial success. Think about this as developing a new culture.

7.   Having a vision for, and providing tailored support to the individual to achieve a range of socially valued employment outcomes, internally and externally to the business. This vision could encompass: increased independence and self-direction on existing tasks; movement between tasks within the Social Enterprise; promotion to more complex duties, including mentoring others; pursuit of open employment; or the pursuit of self-employment (e.g., micro enterprise).

The Benefits of a Social Entreprise Model.

- Dignity and Respect.

- Development of Skills and Competence.

- Presence and Participation.

- Choice and Control.

The Potential Advantages of a Social Enterprise

- An increased focus on the vocational aspirations and the potential (strengths) of people with disability (embedding a person-centred and career goal orientated approach to the provision of employment services).

- Opportunities to explore and move to, and between, higher skilled and better paid work.

- Opportunities to explore vocational options that have a relatively higher social value / status than those commonly inherent in ADEs and other forms of 'sheltered employment'.

- Economic security, including stability of employment and the payment of a living wage (which can in turn contribute to opportunities for better health promotion, educational opportunities, and social opportunities)

- Social cohesion and social inclusion, nurturing and building on connections in and links to the wider community (i.e., person-to-person relationships, both in the work place, and those developed outside of work as a result of being a 'worker in the community') through work activities and the products produced.

- Social and cultural empowerment, through policies and practices that intentionally leverage vocational opportunities to enable people to participate in society, have good health, life-long education, and support to exercise choice and self-determination at work and outside of work.

Stage Two:

Research Interviews and Findings.

Interviews where conducted across four ADE's (sites within the sponsoring organisation) and four social entreprises across Australia.

The external social enterprise participants was on the basis of their enterprises having an established reputation for operating as both ethical and economically sustainable social enterprises, and that they were inclusive of people with a disability.

The Social Enterprises selected were:

 a not-for-profit disability service organisation that is successfully supporting clients to achieve *microenterprise* outcomes;

 a not-for-profit disability service organisation that is running a professional services firm, staffed by clients working remotely;

 a not-for-profit that is running a social enterprise that provides employment outcomes for clients with a disability who earn award wages without any adjustments based on productivity calculations;

 a not-for-profit disability service provider that runs both retail outlets and farm space for people with a disability who earn award wages.

ADE Findings

12 dominant themes emerging:

1. ADE Structure and Purpose
2. Client or Employee?
3. Client Development.
4. Resources to Pursue the Enterprise Mission.
5. Knowledge and Future Options.
6. Assessing Client Readiness for Open Employment.
7. Work Experience.
8. Transitioning to Open Employment.
9. Time as a Barrier.
10. Internal Relationships
11. The National Disability Insurance Scheme
12. Business Type

Social Entreprise Findings

12 dominant themes emerged:

1. Defining the Business
2. Why Social Enterprise?
3. Careers
4. Customised Employment
5. Micro-enterprise / Micro-boards
6. Qualifications of Management
7. Board Support / Risk Taking / Risk Aversion
8. The Place of Government Funding
9. Innovation / Forward Thinking / Niche Enterprises
10. Beneficiaries working in the Enterprise
11. Award Wages
12. Governance and External Verification

Five Recommendations.

To progress the current thinking, it is recommended that ADE's consider the following:

1. Develop a new strategy and business model that will allow for the implementation of an innovative *social enterprise*, which will enable ADE's to deliver ethical, evidence-based, individualised and economically viable labour market support programs for people with disability.

2. Incorporate into any new labour market support program the established advantages of the *Discovery* model, with appropriate adaptation to the Australian policy, funding, and labour market environments.

3. In any new labour market support program, adopt the principles and processes of *Customised Employment*, which are well established as providing the social and economic outcomes needed to progress the inclusion and wellbeing of people with disability.

4. Plan for and implement a business model that provides multiple pathways for people with disability, and varying employment outcomes; including support (e.g., education, training and mentorship) for career development within a ADE *social enterprise*, support to transition to *open employment*, and support to develop *micro-enterprise* and other self-employment opportunities.

5. Capitalise on the existing physical, economic, knowledge-based, and social infrastructure of the existing ADEs, but aim to transition from these services within a timeline that considers the social and economic circumstances of the current employees.

Stage Three.

The Pilot Project.

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