WORK INTEGRATION SOCIAL ENTERPRISES - DEVELOPING INNOVATIVE AND EFFECTIVE EMPLOYMENT OPPORTUNITIES

TERRY KRUPA, PHD & ROSEMARY LYSAGHT, PHD
MARCH 18, 2016
Introduction
Philosophy underlying WISEs
Approaches to social enterprise in the Mental Health sector
State of the evidence
Challenges to growth, sustainability and acceptance
WISE strategies as a means to promote health and social integration
I. INTRODUCTION

WHAT IS A WORK INTEGRATION SOCIAL ENTERPRISE?
Employee driven and run, Fresh Start Cleaning and Maintenance is dedicated to providing part-time to full-time permanent employment for consumer/survivors of the mental health system.

Located in Toronto, this business provides office, commercial, apartment building, and residential janitorial cleaning as well as lawn care and snow removal. Fresh Start’s Extreme Cleaning Program offers bedbug spraying preparation and de-hoarding services for those who face imminent eviction from their household based on the lack of cleanliness or fire risk present in their homes because of inaction.

http://freshstartclean.com/
Petstuff on the Go is a pet supply delivery business in Dartmouth, Nova Scotia operated by mental health consumers. It offers top quality pet foods and products, and offers home delivery in the local area.
Collection Innova is a clothing manufacturer in Quebec that specializes in stylish clothing designed for easy access for people with physical disabilities. This WISE employs an integrated workforce comprised of people with mental health disabilities and persons from other employment disadvantaged groups, particularly new immigrants.
WHAT IS A WISE?

• An organization that provides goods and services in the public marketplace
• Like all businesses one of the goals is to generate income to increase the “wealth” of the people involved
• Have the additional goal of using the business to meet specific social goals
• For example
  • Create employment opportunities**
  • Poverty reduction
  • Enhance social inclusion
  • Improve quality of life
WHAT WISES ARE YOU FAMILIAR WITH IN YOUR OWN COMMUNITY?
II. PHILOSOPHICAL FOUNDATIONS

HOW IS LOW WORK PARTICIPATION AND SOCIAL-ECONOMIC MARGINALIZATION OF PEOPLE WITH MENTAL ILLNESS UNDERSTOOD?
Assumption that:

• Particular groups of people are vulnerable to systematic forms of employment marginalization, including:
  • Women
  • Immigrants
  • Racialized minorities
  • People with disabilities, including mental illness
WHAT ARE THE FORCES OF MARGINALIZATION IN OPERATION FOR PEOPLE WITH MENTAL ILLNESS?
EXAMPLES OF FORCES:

Work structures based on:

- Individualism
- Competition
- Strong orientation to profits for individual wealth

Contribute to systemic discrimination:

- Social attitudes
- Hiring practice
- Income support systems
- Chronic poverty of resources and supports
COMMUNITY ECONOMIC DEVELOPMENT

- Businesses are developed with a view to neutralizing sources of disadvantage
- Businesses are structured to capitalize on strengths and create enabling conditions of employment without losing a focus on the delivery of high quality products and services
• An approach that has been used internationally with a variety of populations

• International *examples* of how social businesses and similar entrepreneurial approaches have been used to
  • Create employment opportunities
  • Generate wealth for local communities
  • Build the strengths of all citizens
  • Influence social inclusion
WISE: NEUTRALIZING DISADVANTAGE AND CAPITALIZING ON STRENGTH

For example:

- Capitalizing on survival skills of homeless/street youth (Ferguson, 2011)
- Integrating work schedule flexibility in to business operations (Harvey et al, 2015)
SOCIAL ENTERPRISE AND CED

• Considerable high-profile attention to this approach suggests it is “mainstreaming”

• For example:
  • Nobel prize winner Muhammad Yunus’ work on social business
  • Increased attention in public policy discussions (for example U.K.)
  • Funds directed to creation of research and development centres (e.g. Social Firms U.K.)
  • University programs focusing on social entrepreneurship

**Note – much of the work lies outside the mental health field**
CED: A SHIFT FROM TRADITIONAL EMPLOYMENT APPROACHES

**Traditional**
- Unemployment reflects individual problem/needs
- Work with individuals to support their employment within existing business structures
- Work with employers to create enabling working conditions
- Workers as employees

**WISE**
- Unemployment reflects marginalization of a population
- Engage a community of people to create a business of interest and develop supportive business structures
- Work to secure a market share for the business goods/services
- Workers and employees and entrepreneurs
SOCIAL BUSINESS AS ONE FORM OF...

SOCIAL ENTERPRISE
SOCIAL ECONOMY
Community Economic Development projects are driven by their social mission and earn revenues through activity in the competitive marketplace.

Adapted from Quater, Monk & Armstrong, 2009
III. APPROACHES TO WISE IN THE MENTAL HEALTH SECTOR
WHAT’S IN A NAME?

• Social business, social purpose business, social firms, social ventures – similar terms used in different geographical regions to describe and name WISEs

• Affirmative business, alternative business, social cooperative, consumer-run business, rehabilitation business, agency-sponsored business - terms describing particular types and structures of social businesses
ENVIRONMENTAL SCAN – SOCIAL BUSINESS IN CANADA

• Identification of social businesses in Canada based on 4 criteria:
  • Registered business open for trade in the community
  • Has a set of by-laws
  • Strives for financial sustainability
  • Has a mission that includes people with mental illness

(Krupa, Lysaght, Brown & Vallée, 2012)
• Identified approximately 100 social businesses that create employment opportunities for people with mental illness

• Majority are small businesses (<100 positions, or <50 in service industries)

• Largely located in Ontario, British Columbia and Quebec and Atlantic Canada

• Data suggests more than 1500 employment positions

• Range of goods and services but most frequently reported include food services, landscaping, cleaning and maintenance, recycling, contract/assembly work

(Krupa, Lysaght, Brown & Vallée, 2012)
Businesses in Canada reflect a variety of models and structures
  
  - single proprietor entities; family-owned businesses; worker co-operatives; large for-profits; not-for-profits; contract employment
## Legal Structures for WISES

<table>
<thead>
<tr>
<th>Agency business</th>
<th>Not for profit - Cooperative</th>
<th>Not for profit - Corporation</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Within parent organization</td>
<td>• Business develops to create employment, foster community</td>
<td>• Board of Directors</td>
</tr>
<tr>
<td>• Separate financial sheets but agency fiscally responsible</td>
<td></td>
<td>• Partnerships with agencies</td>
</tr>
<tr>
<td>• “Big” decisions at agency level</td>
<td>• workers have control of business decisions; able to leverage $$ to generate new opportunities</td>
<td>• Completely business-oriented</td>
</tr>
<tr>
<td>+ helps agency meet mission</td>
<td>- workers may not achieve competitive wages</td>
<td>+ expertise available for big business decisions</td>
</tr>
<tr>
<td>+ draw on agency resources</td>
<td></td>
<td>– financial sustainability</td>
</tr>
<tr>
<td>– financial risk to agency</td>
<td></td>
<td>depends primarily on business performance</td>
</tr>
<tr>
<td>- loss of autonomy</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
ENVIRONMENTAL SCAN - FINDINGS

Form of incorporation

Non-profit – 45%
Subsidiary of parent organization - 19%
Non-profit, charity status – 14%
Cooperative – 11%
Charity – 9%
Non-profit, cooperative – 3%
EVOLUTION DRIVEN BY...

- Locale
  - e.g. Driven by need, opportunities
- Government/policy
  - e.g. Quebec
- Special initiatives
  - e.g. Anti-poverty initiative; entrepreneurship grants
- Historical influences
  - Consumer movement
IV. STATE OF THE EVIDENCE

HOW DOES WISE STACK UP AS AN APPROACH TO EMPLOYMENT?
Position of WISE relative to the broader community economy

Processes and outcomes of business development

A growing evidence base

Evaluations of outcomes:
- Business outcomes
- Health and well-being outcomes

Worker experiences and intentions
GROWING THE EVIDENCE-BASE: CHALLENGES

• Not a program or mental health service – a business
• Broad range of variations in business operations
• Complex intervention approach to health and well-being
• The dominance of traditional approaches to employment support in the mental health field
V. CHALLENGES TO GROWTH, SUSTAINABILITY AND ACCEPTANCE
CENTRAL AREAS OF TENSION

• Compensation structures and strategies
• Advancing inclusion
• Career progression
• Perception of legitimacy/credibility as a business
• Profitability/Subsidy
• Worker voice/involvement
COMPENSATION STRUCTURES & STRATEGIES

- Various approaches to compensation identified (often > 1 in a single business organization)
- Disability employment support eligibility a factor for all, and tends to create a part-time workforce
- Underlying tensions include:
  - Need for company to be profitable
  - Responding to “living wage” movement
  - Length of time worker remains a “trainee”
  - Legal/ethical issues around co-operative profit shares
<table>
<thead>
<tr>
<th>Within Worksite</th>
<th>Public Contact</th>
<th>Business-Community Relationship</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Enhanced options for openness and sense of belonging</td>
<td>• Direct service contact with customer base</td>
<td>• Good corporate citizen (buy local, hire local)</td>
</tr>
<tr>
<td>• Integrated workforce</td>
<td>• MH community</td>
<td>• Respect for work done (awards, coveted products, socially important work)</td>
</tr>
<tr>
<td>• Worker understanding of social contributions of work</td>
<td>• Broader comm’y</td>
<td>• Contributions through other social goals</td>
</tr>
<tr>
<td></td>
<td>• Indirect contact through phone or internet sales</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Public outreach activities (marketing, comm’y events)</td>
<td></td>
</tr>
</tbody>
</table>
CAREER PROGRESSION

- Agency-run businesses may offer fewer opportunities to advance through to leadership positions
- Product/service line: does it involve employment opportunities to meet a range of employment interests and strengths?
- Need to balance the business’ need for high performing workers with a philosophy of encouraging individual growth and pursuit of other opportunities
- Workers may need to self appraise and choose between potentially higher wage options, career progression opportunities, etc. and the advantages of enhanced control over worklife, personal health needs
- Some models (incubator services, micro-enterprise support) can assist with individual entrepreneurship
PERCEPTION OF LEGITIMACY / CREDIBILITY AS A BUSINESS

• Compromised by:
  • History of sheltered workshops
  • Relationships with mental health system

• Lack of strategic visioning
  • “Standards” for the field
  • Branding in the broader community
• Complex choices regarding business costs and business practices as they relate to revenues to balance the budget
• What constitutes subsidy? What subsidy would be acceptable?
• Sensitivity to potential for exploitation
WORKER VOICE / INVOLVEMENT

• Extent of ownership/decision making by people with mental illness

• Despite “empowerment” philosophy underlying WISE, without attention involvement of people with mental illness can be limited or reflect tokenism

• Consideration of business structures and processes for involvement, and assumptions underlying these
V. BEST PRACTICES

THE WAY FORWARD
EMERGING BEST PRACTICES

• Moving to a business mindset
  • Operating like a business, not a program
  • Focus on customer satisfaction = worker satisfaction
  • Recognizing the need for worker support options in any (WISE; SE) setting

• Strategies for achieving inclusion

• Best practices in compensation – an evolving science

• Ways to mitigate financial risk, address subsidy needs
Support autonomy and “business” orientation through
• Distinct business objectives and by-laws
• Autonomous governing body such as a Board of Directors
• Autonomous financial accounting structures and processes
• Explicit partnership agreements with recognized partners
• Extent of ownership/decision making by people with mental illness
EMERGING BEST PRACTICES

For financial sustainability, businesses can:

• Adopt practices directed to balancing business costs with revenues; clearly identify costs and revenues

• Incorporate a number of diverse businesses under a single entity to share/disperse any losses/profits

• Mitigate loss associated with positions that are not directly revenue-generating (administrative, management, human resources, business development) through partnerships

• Consider a range of markets in and outside of MH sector
IN SUMMARY....

Shared definition of WISE
Community economic development – assumptions underlying WISE
A range of business structures and models
A growing body of evidence with several challenges
Reconciling challenges to growth, sustainability and acceptance
Thank you...

Questions?
REFERENCES


