



**Enhancing diversity in social economy organisations
and enterprises across the European Union –
a state-of-the-art on existing practices**

Executive Summary

January 2019

The European Commission support for the production of this publication does not constitute an endorsement of the contents which reflect the views only of the authors, and the Commission cannot be held responsible for any use which may be made of the information contained therein.

SENSENET project, for Social ENTERprises Sustabinability NETwork, aims to strengthen the skills of managers and human resources of social economic organizations in the management of diversity and its performance. This project, running from September 2017 to August 2020, is held in 5 countries (Denmark, France, Italy, Portugal and Romania) with 7 organizations listed below.



www.aproximar.pt



www.cpip.ro



www.detlaerendefaengsel.org



www.easi-socialinnovation.org



www.fondationface.org



www.fondazionebrodolini.it



The implementation of this project stems from an observation: the social economy organizations (SEOs) and enterprises (SEEs), if they have an ambition of social inclusion, do not have the necessary tools and skills to recruit and support in employment profiles from diversity. The Consortium's goal is to answer to this issue **by supporting SEOs and SEEs deal with diversity through the development and experimentation of adapted tools and trainings.**

The main outcomes of SENSENET project will be :

- This publication : **a state of the art** identifying **existing practices**, in different European countries, focused on improving SEOs' managers and human resources performance by enhancing the potential of disadvantage workers. This report is an output of a pilot project. Thus, **all the results and observations presented here stem from an exploratory research.** They will help the Consortium in developing the future tools presented above.
- **a performance assessment tool**, to identify SEOs' managers and human resources' learning needs, provide guidelines and optional paths. This tool will facilitate SEOs' recruitments and will improve the performance management in these organisations,
- **a learning programme**, easily accessible, providing SEOs' managers and human resources staff with effective learning paths, to upgrade or promote their diversity management, recruitment and staff management skills,
- **a learning network model**, to provide a practical guide to support SEOs' managers and human resources staff to implement diversity and performance management.



Depending on national contexts, social economy is more or less structured, which makes it difficult in some countries to discover the innovative practices implemented and to have precise data available. Thus, **the Consortium does not pretend to be exhaustive in the content proposed.**

INTRODUCTION

Driver of social innovation, as well as of sustainable and inclusive growth, the social economy sector has a key role to play in the promotion of diversity in the labour market. This sector aims at improving the conditions of societies, by trying to find solutions to issues related to inequalities and the inclusion of excluded population, such as disabled persons, low-qualification workers, people from ethnic minorities, etc. Representing 13,6 million jobs across the EU¹ (EESC, 2016) and with its core value of integrating excluded publics, **the social economy sector should be more inclusive**, which makes it a key sector to handle this challenge of diversity and non-discrimination. However, social economy organizations and enterprises regret the inexistence of adapted tools to support them in helping and integrating the diverse publics.

The present publication is **an exploratory research at the national and European level on existing good practices to support SEOs and SEEs in managing diversity**². This report is the result of all the outcomes gathered by SENSENET partners which have approached several stakeholders at the local level and collected their practices but also their needs. It will present **encouraging practices**, on which basis SENSENET partners formulated **recommendations** to build accurate and efficient tools, sticking to SEOs and SEEs needs in terms of recruiting and managing diverse human capital to foster their performance.

¹ CIRIEC, *Recent evolutions of the Social Economy in the European Union*, 2016

² *The final report is available in SENSENET project website (<http://www.sensenet-project.org/>)*

I. Background of social economy and diversity in Europe

A. Definition of SEO/SEE

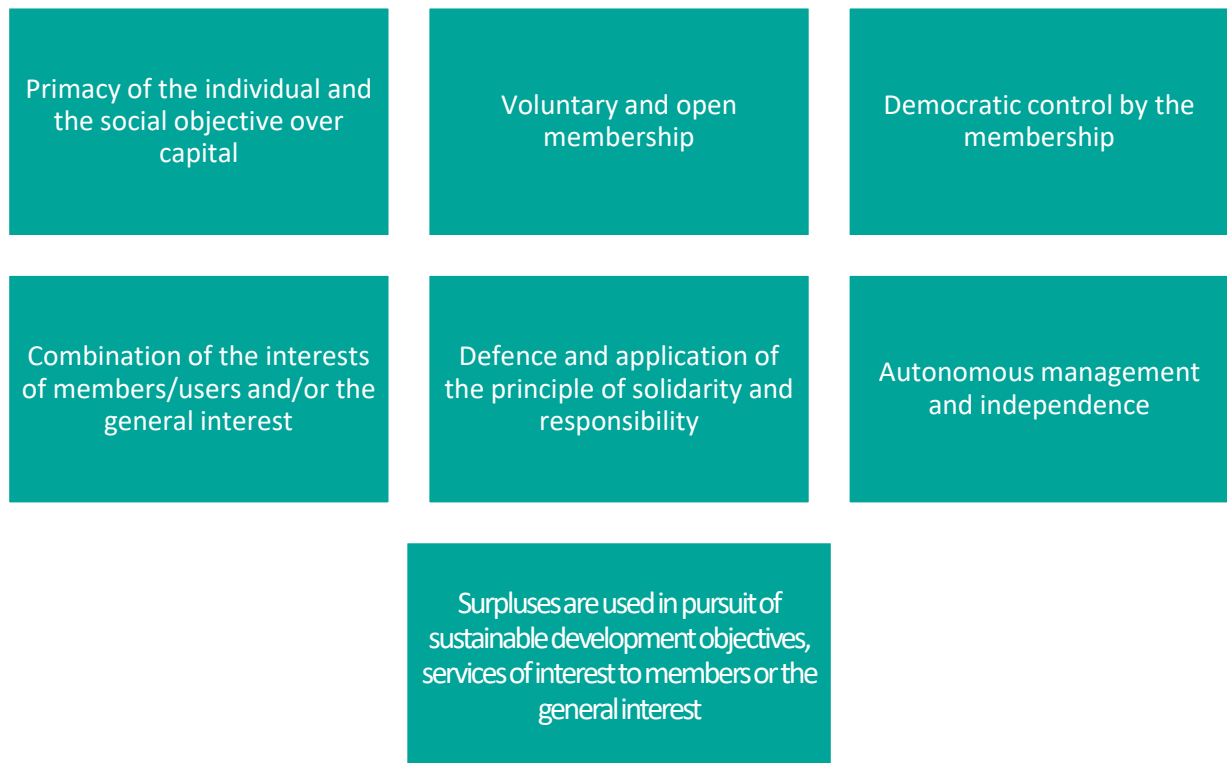
The “social economy concept” is widely recognized in countries like France and Portugal, at public, academic and economic level and there is a legal status given to specific entities such as cooperatives and mutualist associations. Countries like Italy, Denmark and Romania have a moderate level of recognition of the social economy concept, coexisting with concepts such as the non-profit sector, the voluntary sector and social enterprise¹.

The **most recent definition of Social Economy** proposed is:

“The set of private, formally-organised enterprises, with autonomy of decision and freedom of membership, created to meet their members’ needs through the market by producing goods and providing services, insurance and finance, where decision-making and any distribution of profits or surpluses among the members are not directly linked to the capital or fees contributed by each member, each of whom has one vote, or at all events are decided through democratic, participatory processes. The social economy also includes private, formally-organised entities with autonomy of decision and freedom of membership that produce non-market services for households and whose surpluses, if any, cannot be appropriated by the economic agents that create, control or finance them”³.

³ European Economic and Social Committee (EESC), Recent evolutions of the social economy in the European Union – Executive Summary, 2017

The **principles of social economy** are:



Social Economy Enterprise (SEE)

Social enterprise concept is related to the idea of a **new social entrepreneurship**, concerning mostly cooperatives, with the creation of specific regulation.

“social enterprise is a business with social goals which surplus are reinvested more in the activity or community than oriented to maximize profit to owners”⁴.

There are three key dimensions of a social enterprise⁵:

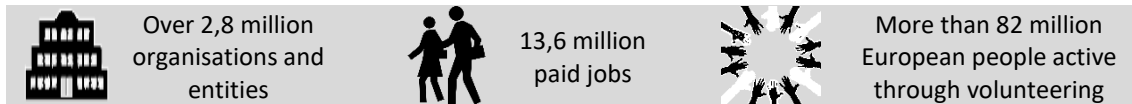
- “An **entrepreneurial dimension**, i.e. engagement in continuous economic activity, which distinguishes social enterprises from traditional non-profit organisations/ social economy entities (pursuing a social aim and generating some form of self-financing, but not necessarily engaged in regular trading activity)”,
- “A **social dimension**, i.e. a primary and explicit social purpose, which distinguishes social enterprises from mainstream (for-profit) enterprises”,
- “A **governance dimension**, i.e. the existence of mechanisms to ‘lock in’ the social goals of the organisation. The governance dimension, thus, distinguishes social enterprises even more sharply from mainstream enterprises and traditional non-profit organisations/ social economy entities”.

⁴ Defourny, J., *The other economy international Dictionary - Social Enterprise*, 2009, pp. 188-192

⁵ European Commission (EC) – Employment, Social Affairs and Inclusion, *A map of social enterprises and their eco-systems in Europe European Commission – Executive Summary*, 2014

B. Summary of EU context on social economy and current issues

Social economy is an important sector for the European economic development, representing⁶:



In 2017, a call for a strong European impetus on the social economy was introduced in the political agenda of the EU, considering it a priority business model for a sustainable future in which social and economic cohesion prevails:

2017 The Madrid Declaration, “The Social Economy, a business model for the future of the European Union” (May 23, 2017)

Spain, Luxembourg, Greece, Portugal, Italy, Romania, Slovenia, Malta, Bulgaria, Cyprus, Sweden

In a nutshell, if the European institutions have started to integrate social economy in their political reflections over the past few years, a common action plan and definition of this sector at the European level is yet to be built.

Main challenges at the national level

In all the countries presented here, **some challenges specific to the social economy sector arise and have to be dealt with in the coming years to ensure the development of this sector** at the national levels:

⁶ CIRIEC, *Recent evolutions of the Social Economy in the European Union*, 2016

DENMARK	<ul style="list-style-type: none"> • Cancel the monopoly of municipalities on social activities • Ensure a significant involvement of citizens in social activities
FRANCE	<ul style="list-style-type: none"> • Make sure that SE sector will not evolve in a market led sector • Public subsidies are reducing • By 2025, 700 000 retiring people will need replacement
ITALY	<ul style="list-style-type: none"> • Persistence of high fragmentation in the sector • Significant public funding constraints • Effective implementation of the 2017 Social Enterprises reform
PORTUGAL	<ul style="list-style-type: none"> • Population's aging and declining of birth rates • Particular pressure of economic uncertainty to SEOs • Improve methods to reach more people and be efficient • Improve economic and social results
ROMANIA	<ul style="list-style-type: none"> • Employment of the most inactive • Reduce the number of people in poverty by 580 000 people by 2020

Cross-country: involvement of women in jobs with high responsibility

C. Legal framework on diversity in the European Union

Like the social economy concept, a common definition of diversity at the European level is missing. The definition of diversity is closely linked to the definition of discrimination as it stems from this latter. The law, on the basis of the discrimination definition, defines the criteria on which it is illegal to discriminate.

The non-discrimination law in Europe is made up of a variety of sources, notably from the law of the Council of Europe (47 countries), from the one of the EU (28 Member States) and from the UN Human Rights treaties.

“United in diversity”: the official motto of the European Union, adopted in 2000, illustrates that the promotion of diversity – related to non-discrimination – is one of the founding principles of the European Union, as pointed out in its founding treaties.

The Directives enacted by the EU set out goals that all the EU countries must achieve by enacting laws at the national level. National judges and prosecutors, when working on cases related to diversity and non-discrimination, are “required to apply the guarantees provided for under the European Convention on Human Rights (ECHR) and those under the EU non-discrimination

directives”⁷. However, Member States are free to decide how to achieve these goals set by the EU. They can broaden the scope of non-discrimination at the national level. An example is the list of grounds of discriminations in the EU and among Member States.

In the absence of a common definition of diversity at the EU level, **SENSENET partners have decided to adopt a global approach on diversity and discrimination** and not to focus on each of the grounds of discrimination on an individual basis. This approach enables to be inclusive of all grounds of discrimination, to not privilege criteria in particular and to not forget a type of diverse public.

⁷ European Union Agency for Fundamental Rights and Council of Europe, *Handbook on European non-discrimination law*, 2018 edition

II. Synthesis of the existing literature

To ensure that a complete and cross-national synthesis of the literature is proposed, **each partner, has analysed a list of existing reports, guides, articles related to the topic (Diversity and SEEs/SEOs) and treating it either at the national, European or transnational level.**

KEY FINDINGS		DIFFICULTIES
<p><u>Social economy as naturally inclusive ?</u> SEOs/SEEs regard themselves as naturally inclusive and do not see the interest in implementing specific practices to integrate diversity</p> <p><u>Diversity as a driver of performance</u> Including diversity enhances social and economic performance of organisations: diversity management promotes positive values (inclusiveness, openness, respect for difference, social commitment, etc) which, in turn, foster staff well-being and shared corporate culture as well as a positive image and reputation</p> <p><u>Diversity profiles of candidates and employees in social economy</u> Diversity publics are set aside, even though they represent a part of these organisations' beneficiaries; SEOs/SEEs should improve job offers understanding for vulnerable people</p>	<p><u>Learning needs</u> Providing continuous learning to social economy organisations and enterprises staff is crucial, even if low financial and time resources to follow</p> <p><u>Flexibility of the management</u> People with diversity backgrounds have different challenges/needs that must be respected to encourage work performance and ensure total integration. Managers need to be flexible and adapt expectations towards different collaborators</p>	
		METHODOLOGY
		<p>Non-exhaustive references Use of key words</p>

III. Results on gathered practices

A. Work methodology

Partners followed a common **three-steps process**:

1. National consultations → collection of practices by questionnaire
2. National workshops with stakeholders → assessment and selection of practices
3. Data compilation → development of recommendations

B. Summary of key findings

In total, more than 40 people from five different countries participated in these workshops to discuss with Consortium partners the concern of diversity within SEOs and SEEs, by helping them to highlight needs and define key recommendations.

Overall, from the **50** practices **collected** by the partnership, **26** were selected by national validation workshop participants.

Country	Partner(s)	Collected Practices	Presented practices	Selected Practices
Denmark	DLF	2	4	4 ⁸
France	FACE	19	10	8
Italy	FGB	18	18	5
Portugal	Aproximar & IBIS	6	6	6
Romania	EaSI & CPIP	5	5	3
Total		50	43	26





A description of each selected practice is available in SENSENET project website (<http://www.sensenet-project.org/>) for users to have access to all information on activities, results, benefits, challenges, lessons learned, etc.








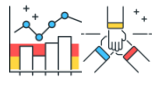

These practices were selected among a panel of practices collected, and these latter do not represent the exhaustivity of innovative existing practices within the countries covered by SENSENET project.









⁸ During the Danish workshop, some participants were representatives of social enterprises and presented their own work and got selected by participants, which explains the difference between 2 practices collected and 4 practices selected.

Below, all the selected promising practices and respective area of operation (or areas of operation, once some of the practices address more than one area), divided by the countries from SENSENET consortium, represented by the following legend:

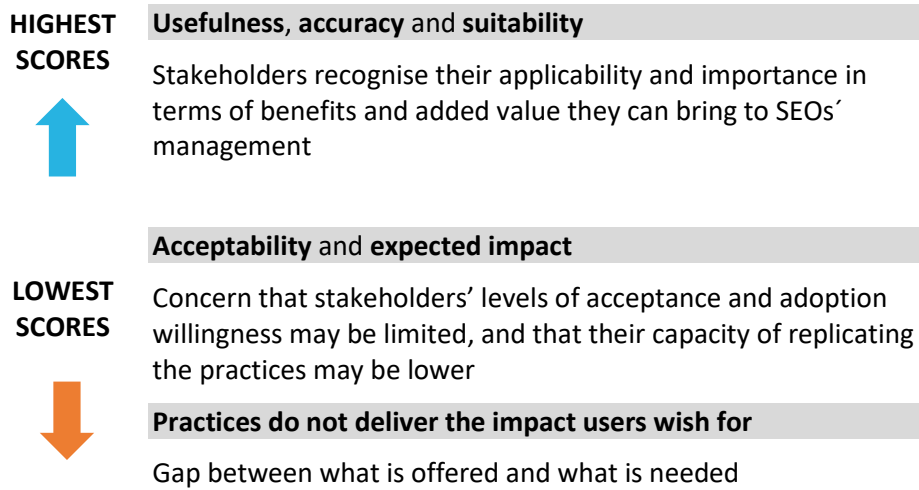
SEO's performance assessment	SPA	
SEO's managers' identification of learning needs	SMILN	
SEO's learning/ training programmes	SLTP	
Other practice about diversity	OPAD	

COUNTRY	NAME AND SHORT DESCRIPTION OF THE SELECTED PRACTICES	AREA OF OPERATION
DENMARK	Be My Eyes – use the video calls technology to assist blind people in their everyday life	
	MENSK – give teachers pedagogic tools to improve their work on teaching people with learning difficulties	
	C:NTACT – foster foreigners' social integration through public speaking experiences	
	People Like Us – hiring of people with different degrees of autism in a brewery	

COUNTRY	NAME AND SHORT DESCRIPTION OF THE SELECTED PRACTICES	AREA OF OPERATION
ITALY	Family Audit – certify organisations on their commitment to the improvement of welfare and work-life balance measures	
	Master in Diversity Management and Gender Equality	
	Scuola del Sociale Agorà – regular trainings on several topics related to social economy	
	Wellness, people care, conciliation and corporate welfare – train welfare managers to promote corporate welfare and work-life balance measures.	
	People First – train the HR Department of Capodarco Cooperative for the implementation of a new HR approach system based on performance management.	
FRANCE	<ul style="list-style-type: none"> - E-Learning on Diversity, - Training to foster professional equality and to enable organisations welcoming people with disabilities 	
	<ul style="list-style-type: none"> - Inclusive recruitment practices, - Diversify the sourcing of profiles by connecting big companies to universities, - Charter on Diversity 	
	<ul style="list-style-type: none"> - HR guides – provide SEOs with guidelines to integrate better diversity profiles, - Obtaining the Label on Diversity 	
	Accompanying social economy structures in implementing the “good practices improvement guidebook” bound for SEOs and SEEs	

COUNTRY	NAME AND SHORT DESCRIPTION OF THE SELECTED PRACTICES	AREA OF OPERATION
PORTUGAL	Integrated Management System of HR performance – is a continuous process based on competency manuals and workflows that allow a SEO to improve its organisational process	
	Training Offer – conduct a needs' assessment among cooperatives to create and provide them an organisational management training plan	
	Incubator – provide supported organisations with value-added services aiming at their growth and internationalization	
	Qualification of NGOs and their staff - provide SEOs with trainings in priority training areas (strategy and management) and with support in implementing intervention plans	
	Consultancy and Action - Training bound for people willing to develop new social structures	
	Diversity Policy – incorporate diversity in all the company's work	
ROMANIA	SPRING - Supporting Participation of Roma in the economic life of their community through Income Generation activities	
	<ul style="list-style-type: none"> - Solidarity partnerships - support the small local farm producers, reduce poverty and promote social cohesion - Promote responsible consumption behaviour and fair trade/Support small producers 	

The selected practices were assessed by all stakeholders⁹:



In summary, it is safe to say that the **selected practices address the needs of SEOs and can have an impact in terms of their efficiency and success**, ensuring a change of proceedings within organisations. However, it depends on the SEOs willingness to replicate the practices selected and to accept that change.

Challenges encountered and main lessons learned from practices' holders

By developing their practices, SEOs are able to see what challenges arise from applying these practices, but also draw lessons that motivate them to meet those challenges and which can be of great importance to social economy.

Below, are the challenges and lessons learnt identified by practice owners themselves. This information will be addressed in the next Intellectual Outputs.

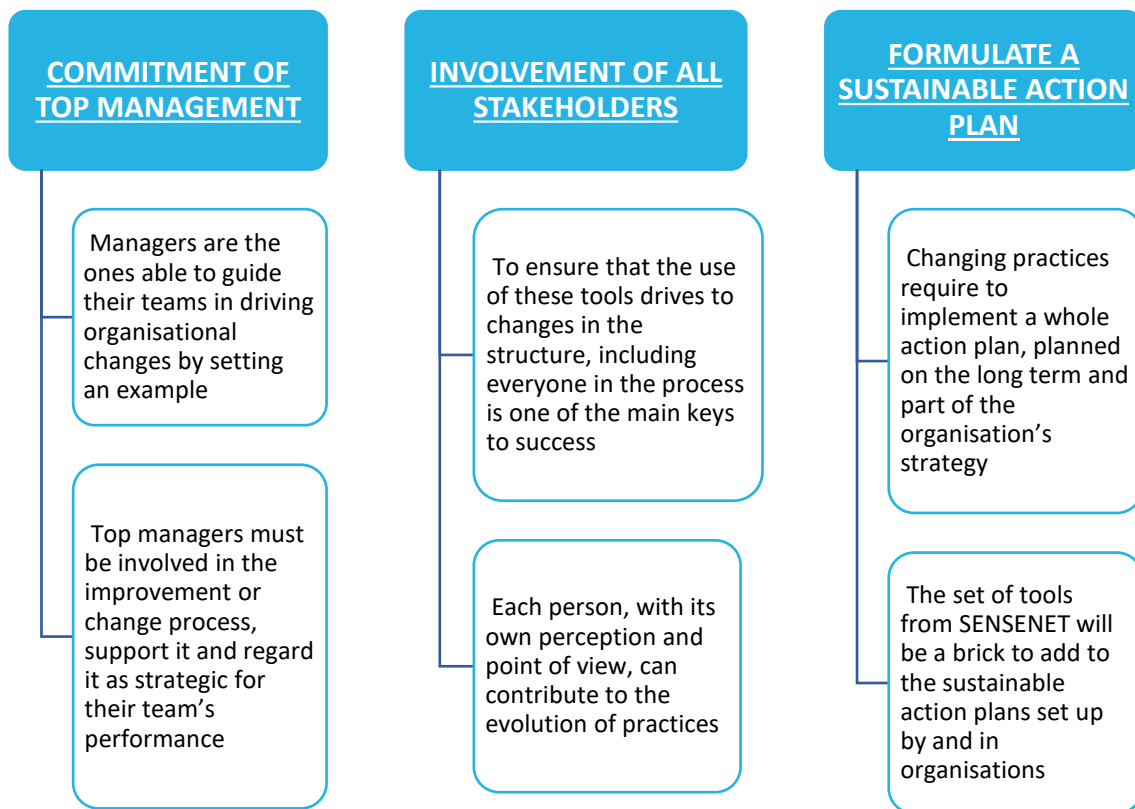
⁹ For more information on the assessment methodology, please check the final report, available in SENSENET project website (<http://www.sensenet-project.org/>)

CHALLENGES	LESSONS LEARNED
<p>1. How to commit qualified professionals in the organisational culture and effectively enable them to carry out qualification processes and participate in activities that can change procedures and attitudes within the organisation.</p>	<p>1. Elements from organisations' management boards have to take part in decision making processes in order to actively sustain projects that ensure changes, promoting their successful implementation.</p>
<p>2. Ensure the suitability of the practices' contents to specific SEOs needs and find fully qualified trainers to meet the specificities of SE sector.</p>	<p>2. Take into account the sector itself and what to do to contribute to the applicability/implementation of tools for action.</p>
<p>3. a. Transfer the added value of a practice to the corporate management and use of staff's capabilities in activities; b. Time participants have to invest in training due to intense professional lives; c. Intercepting new training needs in SE sector in order to attract investors who can fund activities</p>	<p>3. Organisations have to acknowledge the importance and value of training for their staff</p>
<p>4. SEOs are sometimes not interested in launching internal improvement processes once they consider themselves naturally exemplary on the topics of diversity and fight against discrimination.</p>	<p>4. Raising awareness on different forms of discrimination and diversity is important to demonstrate to SEOs and SEEs that developing actions for general interest does not ensure intern inclusive recruitment practices.</p>
<p>5. Lack of permanent resources, specific funding and supportive legislative framework.</p>	<p>5. The provision of specific financing and support bound for SEOs and SEEs is crucial so that they become more efficient in planning their activity, thus increasing their chances of sustainability.</p>

IV. Key principles and recommendations

The national workshops presented above were an occasion for partners to question the tools to be created in SENSENET project by collecting learning needs from the stakeholders. The various discussions drove stakeholders to make some assumptions on **what is necessary to effectively implement new practices within organisations**. The following “key principles” are bound for SEOs and SEEs willing to implement improvement processes internally.

A. Prerequisites for the implementation of efficient improvement processes



B. Recommendations for the creation of accurate and adapted tools within the project

The discussions with stakeholders also led to the identification of **global and specific recommendations for each of the next tools that will be created in SENSENET project**: a performance assessment tool, a learning programme, a learning network model.

a) Key principles for the development of tools bound for SEOs and SEEs

Respect of national contexts

- Take into account all the needs specific to each country
- Find the highest common denominator on which to base the content of tools

Respect of SEOs and SEEs' needs

- Stick to SEOs/SEEs specific needs
- Tailor to SEOs/SEEs organisational structure, culture and values

Keep in mind the organisational brakes

- Create tools which are easily accessible and not time consuming

Use practical and concrete examples

- There are more chances to change practices if tools are based on practical and concrete examples
- Strengthen tools with practical exercises to be completed by users

The SENSENET partners have collected some recommendations from various stakeholders, either experts on social economy or diversity, social economy organisations and enterprises, social economy national networks, etc.

b) Recommendations on the performance assessment tool (2019)

SENSENET will build a performance assessment tool enabling SEOs/SEEs to diagnose their actual knowledge and learning needs and providing them a set of recommendations to implement the improvement of their performance, in terms of recruitment and management.

❖ Deconstruct the preconceived ideas

- For a manager or a HR, the use of an assessment tool can be a **first step to becoming aware of one's own stereotypes**, then to deconstruct the preconceived ideas.
- When building the assessment tool, keeping this angle of a tool that **acts as a wake-up call for users** is crucial for the Consortium.

❖ Make it a tool valued within an organisation

- A performance assessment tool (and the results emerged) must be **valued and considered when building the strategy of the organisation**.
- **Indicators should be questioned over time**, not only one time when completing the questionnaire - this assessment tool must be part of a continuous improvement process.

c) Recommendations on the learning program (2019-2020)

For organisations willing to improve their performance when it comes to dealing with recruitment and management of diverse profiles, a good way to do so is to follow a diversity training, as it fosters diversity awareness as well as inclusive and effective work environment.

❖ Awareness raising and skills improvement

- A diversity training program should **foster two dimensions of progress: awareness and skills**. An effective **learning program should enable these two phases** of improvement for users.
- The second phase of capacity building should **specifically focus on managing diversity**, as managers and human resources are SENSENET targets.

❖ A global approach of diversity

- Consider **diversity as a performance creator** for organisations.
- The learning programme will be built based on a global approach of diversity, in a logic of highest common denominator, which will ensure that **the tools are inclusive of every types of differences**.

❖ Use a blended format

- To make sure the training is impactful on trainees, a **blended format** should be used: a **mix between online and in class training sessions**.
- The face-to-face sessions enable participants to accentuate the effect of awareness and deconstruction of stereotypes.
- Being emotion-driven and enabling sharing sessions with peers through group workshops and discussions, class sessions may lead to a bigger impact on participants' behaviour.

- **Once the first step of awareness raising is done through a face-to-face training, may be reinforced through online training.** Online training is mostly appropriate for content that does not require trainees to be with peers, such as information on the legal context or statistics.

❖ Measure the impact

- When conducting a training, the impact measurement is a **key point to ensure its efficiency** on trainees' beliefs and behaviours in the **long term**.
- The measure could be done **through knowledge quizzes** (before/after training), evaluation forms on **satisfaction**, the collection of **data on the evolution of organisations' practices**.
-

d) Recommendations on the learning network model (2020)

SENSENET project will build a methodology to implement all the tools created in the project, notably through the development of a guidebook and a coaching model. The objective is for users to be able to develop learning paths and action plans in their organisations, and to network with managers and human resources specialized on diversity management to get inspiration.

❖ Involve end-users in testing phases

- It is crucial to develop the learning model with testing phases, including **end-users in the creation process**, by building prototypes, planning back and forth sessions and requesting these users' feedbacks during the testing phases.
- This will enable partners to **rely on these feedbacks to adapt and improve** the methodology, before disseminating the final version.

❖ Facilitate the network of learners

- It will be the role of SENSENET partners to facilitate network of users and **provide learners with exchange and feedbacks opportunities**, for mutual inspiration and support between peers.
- Organizing webinars, promoting meetings between learners at a local level, making the link between participants are ideas that would make the community active and useful for its members.

❖ Training of trainers

- SENSENET partners will create a group of coaches, being experimented managers and human resources from social economy organisations and enterprises, that will support their peers willing to improve in implementing the set of tools created in the project.
- The coaches should adopt a training of trainers' approach, to **ensure that the trainees will in turn coach other organisations**.
- This will ensure the dissemination of the project's tools and maximise the impact of SENSENET project on social economy organisations and enterprises.

To conclude, the set of tools created within SENSENET will aim at supporting social economy organisations and enterprises, being adapted to their organisational context. To impact as much managers and human resources of SEOs and SEEs as possible, one of the objectives is to disseminate the created outcomes.

This requires a **strong dissemination strategy to develop beforehand**. Identifying key stakeholders, key network heads, specific coaches to rely on to relay the information within their own networks of social economy organisations and enterprises; approaching national social economy organisations deeply implanted at the local level; getting closer to the existing European networks of social economy¹⁰, as well as specific human resources, managers or diversity networks¹¹, are different examples of actions to take to ensure the project's dissemination at the European level and maximize its impact.

¹⁰ Some European networks of social economy: Social Economy Europe (SEE), REVES, RIPESS, DIESIS, etc.

¹¹ Networks: European Network of Social Integration Enterprises (ENSIE), etc..

V. Recommendations at the policy level

These recommendations intend to suggest measures and actions to promote a paradigm change that can tackle the main difficulties at the national and European level. These difficulties were referred to by the existing literature on Social Economy and also by the stakeholders who were involved in SENSENET activities.

A. Difficulties on accessing information about the impact of SEOs and SEEs' activities

This difficulty has an impact on social recognition of SEOs and SEEs, which causes a lack of connection between stakeholders, a lack of best practices' dissemination and creation of partnerships towards innovative opportunities. One possible solution for this issue would be **investing in satellite accounts**¹² for social economy.

B. Learning needs of SEOs and SEEs managers and human resources

In order to keep up to date on the real needs of societies, it is necessary that both managers and human resources (staff) from SEOs and SEEs undertake training. **Training programmes should be revised and updated**, focusing on leadership and management techniques, financial sustainability and motivational sustainability methods.

C. Need for incentives for diversity management

One incentive for diversity management can be addressed by the Diversity Charter¹³ in SEOs and SEEs. This initiative from the European Commission was created to encourage employers to implement and develop internal policies and practices to promote diversity.

D. Revision of SEOs and SEEs' concepts

Revising these concepts into common concepts for different countries would improve studies for the creation of new policies on social economy and promote the exchange of good practices among entities from different countries.

E. Investment on SEOs and SEEs projects

SEEs should benefit from countries' internal markets, but the access to structural funds is difficult. To get funding for their projects, SEOs and SEEs often have to look for private investments. Therefore, **it is crucial to develop a tool for SEOs and SEEs to demonstrate their social impact, for these latter to promote their added value when looking for funding opportunities.**

¹² CIRIEC, *Manual for drawing up the Satellite Accounts of Companies in the Social Economy*¹² (cooperatives and mutual societies), 2006 : this manual, prepared by the CIRIEC, gives guidelines on how to establish a satellite account

¹³ https://ec.europa.eu/info/policies/justice-and-fundamental-rights/combating-discrimination/tackling-discrimination/diversity-management/eu-platform-diversity-charters_en



SENSENET

www.sensenet-project.org

*This is an executive summary of the final report on “Enhancing diversity in social economy organisations and enterprises across the European Union – a state-of-the-art on existing practices”, which is available on **SENSENET project’s website** (<http://www.sensenet-project.org/>)*

PARTNERS

