

The Challenge of Workforce Development

Kristin Majeska

Farber Fellow 1997-1998

Carrie Portis

Enterprise Director, Rubicon Programs

Introduction

Nonprofits that create training programs and long-term employment for severely economically disadvantaged people in social purpose enterprises provide unique opportunities to impart realistic work skills in a supportive environment. Such training offers the benefits of both traditional training and private business opportunities yet is structured to avoid some of each sector's deficiencies. For example, traditional training programs are often criticized for not providing participants with market-ready skills and not being linked to employers; graduates of traditional training programs are often not competitive in the workplace nor do they have access to jobs. In contrast, the pri-

vate sector typically does not have the resources or commitment to assist employees in a transition to work. Candidates are expected to come to employers "job-ready." Through supportive employment ventures, a balance can be struck between assisting individuals to be independent workers and benefiting from their positive contributions to the success of an ongoing business. In the following pages we will first highlight the particular challenges of workforce development in social purpose enterprises, then share what practitioners have learned about how to effectively meet their employee development objectives in the face of these challenges.

There is no one formula for creating a successful workforce development program.

A good program may be based on common principles but must be uniquely suited to its organization, the population it serves, the goals of its program and the environment in which it operates. To bring greater relevance to this discussion, we have interspersed our learnings with concrete examples from our own experiences, Kristin at The City Store and Carrie at Rubicon Programs, and examples that we gathered from other practitioners in the Roberts Enterprise Development Fund (REDF) portfolio of social purpose enterprises. Typically, REDF businesses work with youth and adults in transition providing them with employment as trainees or in permanent positions. The end goal is greater independence and self-confidence, entrance into traditional educational institutions, or placement in permanent jobs in the private sector or with the nonprofit business venture.

The ventures within REDF are very varied and include:

- ◆ Businesses in the start-up phase and those that are more mature multi-million dollar operations
- ◆ Businesses that create transitional

employment and those that create permanent jobs

- ◆ Businesses with distinct training programs prior to employment and those that train on-the-job
- ◆ Businesses that focus on employing youth, adults or adults with disabilities
- ◆ Businesses that are manufacturers and those that are service-based.

Although quite different from one another, the REDF social purpose enterprises do share common goals. In relation to workforce development, the goals are to:

- ◆ Develop skills and work-experience so that employees can work in the organization's business and other work environments
- ◆ Provide increased stability in employee's lives through supportive employment
- ◆ Integrate the needs of employees with a competitive business strategy to ensure program and business sustainability

Challenges

Social purpose enterprises face unique challenges because of their need to simultaneously meet the traditional goals of a business and a nonprofit social service agency. The social purpose enterprise must run a competitive enterprise that also integrates additional training and support for employees who are not yet ready for employment in traditional, for-profit companies. Specific challenges include:

- ◆ Balancing tensions between the requirements of the business and of workforce development; and between the perspectives and skills of supervisors versus job coaches or trainers
- ◆ Meeting substantial workforce development needs with limited training and support resources

- ◆ Funding training that occurs within the context of a business
- ◆ Measuring the progress of a training program through its social impact

Social purpose enterprises have learned how to respond to these challenges in a number of ways. The following pages outline practitioners' learnings about developing their workforce through the:

- ◆ Design of the social purpose enterprise
- ◆ Client flow
- ◆ Delivery of the program
- ◆ Content and curricula

Design of the social purpose enterprise

Carefully choosing what business to enter and determining in advance how the social purpose enterprise will handle workforce development improves its likelihood of achieving both training and business objectives. Issues to be considered include:

- ◆ What kind of training to provide
- ◆ How to ensure it meets the needs of the clients
- ◆ Deciding how to integrate training into the business
- ◆ How much the program will cost and where funding can be attained
- ◆ How to measure impact

It is best to consider the implications of these issues and how to balance the demands of both program and business development before launching a new venture.

Choose a business which offers training that is both appropriate to the targeted employees and leads to quality jobs

Although these factors should be integral to the concept of the business and present throughout the stages of business development, nonprofits often do not know enough about the industry before they jump in. The organization is then heavily invested in progressing down a road that requires tremendous effort yet may not meet its original social mission. It is critical that the initial feasibility study evaluates the labor issues of the business. Initial budgets and profitability projections must be based on a realistic understanding of the capability of the target workforce and the training and on-going coaching and supervision they will require to succeed in this business. Unreasonable expectations will lead to frustration and potential failure for employees as well as potentially high turnover, higher than expected costs and an inability to deliver full value to customers.

“We evaluate each potential new business idea/expansion first on whether it is labor

intensive enough to provide good vocational training and many jobs – that’s the point of what we do.”

Laura McLatchy

EXECUTIVE DIRECTOR, YOUTH INDUSTRY

At the same time, each organization must analyze how a proposed venture can meet its social goals. For instance, if most work in the industry is seasonal, pays minimum wage, doesn’t pay benefits, or has no opportunity for advancement, it is likely a social purpose business will also have to be structured in this way in order to be successful. While it is true that most entry-level jobs for people with limited or no work history will have some of these characteristics, the responsibility of the employer is to know how its employees will be able to advance through these positions to achieve greater economic stability.

Advancement can be through relationships with a union that will hire graduates into apprentice programs, relations with large private employers that hire graduates or by building a social purpose enterprise to sufficient scale to provide greater opportunity in the form of advancement or compensation.

Home healthcare jobs historically pay poorly, offer temporary employment and no career ladder. Rubicon went into the home care business when we saw changes in the local market and relationships that we could leverage to create quality jobs. Now we are working on creating a second stage of training and jobs for our employees so that they don’t become the ‘working poor.’ We are doing more work than a traditional employer does but we need to measure our efforts by the quality of employment we provide.

Create businesses that can support high turnover

The purpose of workforce development is to empower people to reach their highest level of independence. In most cases that will mean leaving the nonprofit business enterprise. In a reversal of traditional business practice, many of the REDF portfolio businesses are clearly set up as transitional employers. This constant turnover means that for the business to be feasible there has to be a fit between how long it will take average employees to effec-

tively master their work and how long they are expected to hold their positions.

At the City Store we found that depending on the individual, our employees have mastered basic skills and begin making real contributions to the business after three to six months of being with us. We expected nine month tenure in the program means we always have a core of more experienced employees.

At the same time, this reality requires the business not to depend on the employees' collective experience but to document and keep current the best practices for doing the different jobs.

Define and maintain a limited scope of training and development

The feasibility study for the business should include a clear description of the training and workforce development that the organization expects to provide. Training resources should first be dedicated to skills that are either mission critical to the business – for example, adjusting bicycle gears at Pedal Revolution – or are very specific to the company – for example operating the industrial ovens at Rubicon Bakery. Additional training should be undertaken when it builds on competencies within the organization and prioritized by its direct impact on the business. For example, The City Store teaches its employees computer skills but refers them to other nonprofits for resume writing or personal finance management workshops. In contrast, Youth Industry chooses to leverage its experience communicating to at-risk youth by offering regular life-skills classes. The key is to strategically allocate limited training resources in accordance with an organization's skills and priorities. Organizations new to social purpose enterprises should be realistic about the effort required to implement a business strategy and recognize that initial plans for workforce development may have to be modest.

“Now that Nu2u has passed the survival stage and moved into growth, we're going back and deepening our ability to train. We would have liked to have done it earlier but

the bottom line is that the business needs to be viable first.”

Laura McLatchy

EXECUTIVE DIRECTOR, YOUTH INDUSTRY

Ensure access to community resources for additional supportive services

Many resources that could potentially support targeted employees may be beyond the scope or services of the parent organization. Identifying the most significant gaps in training and developing a strategy for connecting employees with other service providers enables a nonprofit both to meet the needs of its employees and to resist the temptation to try to do everything – a common work characteristic of social purpose enterprise staff! It is often useful to partner with organizations offering relevant services. For example, the City Store and Ashbury Images have partnered with Youth Industry (YI) so that employees referred by either of these companies have on-going access to YI youth service workers for individual counseling and support. Organizations should consider providing “orientations” to partners or frequently accessed organizations. These providers need to understand employment goals, participants' expectations, services provided in-house, etc. Conversely, they should communicate how their services will impact employees at work. Work and service schedules need to be coordinated so that employees can receive the help they need while retaining their employment. Periodic meetings to assess the partnership relationship can also be useful when working closely with an outside agency.

“We previously referred clients to other agencies for training but the bottom line was that they just wouldn't go – we lost them at that point – particularly when they had to go to different classes at different places. Now we offer more classes in house but still send clients out if they want more detailed training.”

Michele Tatos

DIRECTOR OF BUSINESS AND FINANCE, CVE

Even with strong internal capabilities and collaborative relationships, social purpose

enterprise managers often need other resources when employees deal with complicated or extraordinary issues in their lives. A personal Rolodex or list of contacts who can assist as issues arise is an essential tool for managers. Providing a phone number or other contact information and perhaps making an introductory phone call to an appropriate social service agency is a low-cost, high value form of supporting employees.

Determine the best mix of classroom versus on-the-job training

The following are each factors in workforce development: the requirements of the job, the difficulty of acquiring needed skills, most effective learning styles for the target employees, and the amount of resources and/or time available. Rubicon HomeCare offers formal training in a classroom setting at a local community college to fulfill state requirements for certification in that industry. In contrast, Ashbury Images offers on-the-job training exclusively, beginning with the simplest task on the production floor – catching shirts as they come out of the dryer. Other social purpose enterprises, like Juma's Ben & Jerry's franchises, supplement initial training and individual on-the-job coaching with weekly interactive group training sessions on soft and job-specific skills.

Most people learn best in the context in which they will use their learning and can immediately see its relevance. On the other hand, unless it is part of a strategic effort, on-the-job training runs the risk of distracting supervisors and other employees, compromising the quality or speed of the product or service. Organizations in which the majority of training is "on-the-job" must be explicit about the resources dedicated to this task and the outcomes expected from that investment. This clarity makes it possible to evaluate the performance of the business separately from the performance of training.

Separate workforce development funding from the business

The financial requirements of many workforce development programs we have described are not typical costs of operating a business. The training costs that would be incurred by a for-profit competitor must be distinguished from the additional costs of developing a less prepared workforce. This

distinction enables a business to understand how profitable it would be if its workforce were comparable to that of its competitors and to identify its social subsidies.

"Because of our intensive training needs our labor costs run 8-15% higher than our industry's average. We consider these expenses social costs and capture them in the business financials. We recover them through grants that we raise."

Michele Tatos

DIRECTOR OF BUSINESS AND FINANCE, CVE

While a number of REDF organizations generate net income to cover social costs, many are similar to CVE and receive outside funds to pay such social costs. These funds come from traditional sources such as local, state and national government agencies and private foundations. It is useful for a business to decide beforehand how funder restrictions will impact its operations, such as how many hours people can work, what they are required to be paid, where they are placed, etc.

At Rubicon Bakery, trainees in the bakery are paid minimum wage and work fifteen hours a week. Fifteen hours a week of work, as well as meeting with a case manager, a job developer and working on other issues in their life is often a full load. However, fifteen hours a week is also determined by the requirements of the funder. We need to pay wages that will attract dedicated participants, and so we developed a program that meets everyone's needs.

It can be quite time-intensive to develop relationships with funders, manage contracts, send out status reports, etc. Such fundraising also often requires different skills than those required to manage the business venture. It is therefore important that business managers focus on executing the business strategy and if possible, outside development staff assists in contracts and grants management.

Measure and adapt the workforce development program

In this chapter we have described a balancing act that combines a social mission-based training program with a competitive business. Evaluating the success of such an endeavor requires analyzing social outcomes as well as measuring business results; together these

make up the “double bottom line.” The topic of measurement in workforce development could be a paper or book unto itself. However, some basic guidelines are:

- ◆ Obtain baselines of the chosen performance indicators when each participant begins the program
- ◆ Set goals
- ◆ Periodically re-assess
- ◆ Evaluate measured results against goals and adjust program as appropriate

Baseline measures can include such factors as new employees’ housing and employment status, substance abuse situation, health, sense of self-esteem, sense of community or support from others as well as their job-specific and transferable skills. Depending on the program requirements, agency resources and legal issues, candidates may also need to be tested before being hired. To measure progress, periodic re-assessments should occur even after an employee has moved on from the business. In order to have consistent data, each employee should ideally be assessed on the same schedule. This requires tracking employee anniversaries and obtaining regular information from former employees. Skill acquisition can frequently be measured by using existing performance evaluations. Other information is less likely to come directly from traditional business tracking tools. Potential measures of social impact include job performance, such as raises received, and life performance issues, such as alcohol and drug activity and housing status. Legally, life issues tracking should be done such that clients do not provide this information to supervisors or the agency’s HR department. This procedure ensures that sharing personal information does not impact employees’ jobs. Emphasizing that their confidentiality will be protected is also critical to encouraging employees to answer honestly.

Collecting information on employees and making comparisons to the organization’s expectations allows room for improving programs so that they contribute more effectively to realizing the desired social mission. Employees’ and former employees’ evaluations of different elements of the program

and each element’s usefulness in helping them meet their own goals is equally valuable information. With these two types of feedback, social purpose enterprises often discover that their expectations are off or that they need to adjust their approaches to make their programs more effective. Measurement and evaluation will make the organization’s balancing of training needs with business needs more transparent.

Client Flow

When asked about critical success factors of their programs, practitioners often point to specific processes they have put in place to help employees flow into and out of their employment. Setting up clear expectations, roles and responsibilities starts from the initial recruitment of employees and goes through to their transition to working for other employers. These activities need to be planned and implemented to ensure that the workforce development program actually achieves its goals.

Develop and implement clear assessment and intake criteria

To ensure an appropriate match, social purpose enterprises need to assess whether an individual is appropriate for their specific training and employment opportunity. Clear criteria on the physical, educational, legal, and mental requirements to do the work need to be developed and fully explained to participants.¹ The venture must also evaluate each candidate’s potential to move successfully through the program if provided the appropriate support. Organizations often have representatives from both the program and the business present at the interview of each candidate. Involving experienced employees from the target population in the process of interviewing new candidates provides a very useful experience for all involved. Some organizations, like Ashbury Images, also have a trial employment period during which candidates must demonstrate their readiness to learn and work. Similarly, employees of Youth Industry begin on the “bag crew,” hanging bags on doors and picking up bags of donations. They must prove that they are ready to show up and function in a structured job before they are considered for a position in

the stores, bike repair shop or restaurant.

“We do an occupational therapy assessment to see which business is the best fit for a candidate – if any. Then, supervisors, intake person, and the potential employee sit down and discuss if it will work. For example, if the person is going to require a lot of hand-holding during training and the supervisor is already stretched then this is not the right time and they need someone who can learn more quickly.”

Michele Tatos
DIRECTOR OF BUSINESS AND FINANCE, CVE

The organization must also assess each candidate’s potential barriers such as inadequate housing, substance abuse, lack of transportation, health problems, behavioral issues, or lack of childcare. The mission of supportive employment enterprises means that barriers to stability do not necessarily exclude candidates from training and/or employment. However, the organization must understand the resources an employee would need and have a sense of appropriate staging or timing if he or she is facing other issues. For example, over time the City Store introduced “stable housing” as a criterion for its employees because of the particular needs of its business. In contrast Nu2u, a Youth Industry retail store, regularly offers positions to youth who are still living on the street. CVE not only hires candidates with mental illness, but its program and businesses are specifically structured with these employees in mind.

Communicate clear expectations and responsibilities to participants, training and business and agency staff

It is critical that potential participants have a clear understanding of the program so they can make an educated decision whether to enroll. Candidates need to know the work content, what they will learn, what opportunities this training will help them access, who their supervisor will be and what the work environment will be like. Their responsibilities need to be clearly explained and distributed in the form of an employee contract, job description and personnel manual.

Often social purpose enterprise employ-

ees have never had a job before or have never held onto one for any length of time. Therefore, employees may not understand the importance of attendance or punctuality, how to call in if sick, how to fill out a timesheet, how payroll deductions work or other standard elements of work. They should be offered instruction on how to complete these seemingly routine requirements. At the same time, the consequences of not meeting job requirements need to be made explicit. A clear system of written warnings and escalating disciplinary action reduces pressure on supervisors to have to make situation-specific decisions, and reduces ambiguity for employees while giving them responsibility for their own actions while they are still in a supportive environment.

At the same time, supervisors and trainers must understand the barriers to successful employment that employees may encounter and how to respond to those barriers in the most constructive way. They also need to recognize they will be working with individuals who may suffer from lack of confidence, low self-esteem or fear of failure. Particularly for staff coming from the business world, training on how to effectively interact with these kinds of employees can be invaluable.

At Rubicon the line supervisors in our businesses usually have had industry experience in the private sector in supervising people with limited experience or barriers to employment. However, our employees often have more issues going on or will take longer to stabilize. Our supervisors learn about the support services that are available to our employees. But what makes the difference in our ability to keep people on the job is our supervisors’ commitment to their staff.

Integrate trainees into the workplace

Whether working on a rolling admission or having defined “classes,” trainees and new employees will be entering a foreign environment when they come to work for the first time. Immediate steps to initiate new workers such as an orientation and developing a clear schedule go a long way towards making them feel safe and welcome in a structured environment from the very beginning.

When a new trainee starts at Rubicon Bakery they are fully oriented – where to get an apron, how to wash your hands, how to cover your head, where the timesheets are, etc. Many of these tasks are for health and safety reasons but we also want the participant to gain confidence in a new environment and begin to work independently.

In certain situations it may be best to begin with a reduced number of work hours and increase those over time as the employee becomes more familiar with the work.

Start placement efforts at the beginning

For businesses that provide transitional employment, trainees ideally should meet with a vocational placement counselor at the beginning of their training and throughout their employment. Permanent employees should develop a similar personal development plan tailored to progression within the business or toward achievement of personal goals. These plans should be shared with employees' supervisors and made an important consideration in job assignments. Working on a job plan helps keep a trainee focused on his or her personal longer-term goals, gives the counselor time to understand the trainee's needs, strengths and weaknesses, and helps the trainee develop a resume.

“All employees start a career plan the minute they walk in the door. Follow-up is through monthly meetings where employees and the supervisor check-in and quarterly one-on-one meetings. When a goal is met, the supervisor, employee and job developer set the next one.”

Michele Tatos

DIRECTOR OF BUSINESS AND FINANCE, CVE

For employees who are not interested in continuing in the same industry, a career plan enables both trainers and supervisors to focus on developing transferable skills. For example, City Store employees in this situation have consciously focused on the development of inventory management and computer skills in addition to those of sales and customer service. Jointly developing a career plan also increases the likelihood that an

employee will develop internal commitment to the job and to acquiring skills, doing it because he or she “wants” to do it rather than to meet external rules or expectations. Such motivation contributes to an employee's sense of empowerment and likely retention of current and future jobs. Monitoring progress against a personal career plan will also make the “usefulness” of what has been learned more evident to the employee.

When training is separate from being employed in the business, it is imperative to place trainees into a job immediately upon their completion of training. This continuity allows trainees to stay in the roles and habits they developed in the training program and is a tremendous emotional boost.

Provide regular and structured feedback

Even more than in a comparable private business, employees in supportive employment enterprises benefit from frequent feedback on skill development. From day one, an employee should know how he or she will be evaluated. Standard and easy to understand evaluation forms for each job are useful tools that can be tailored to any business. Supervisors should go over the blank form before each employee begins work in a particular area and give the employee tangible examples of what an “unsatisfactory,” “good” and “excellent” mark means in each category. Forms with such ratings, as well as descriptive comments with specific examples from the individual's most recent evaluation period, are quite effective. An additional progress tracking form can be particularly useful when tied to the initial placement plan and put in the context of the employee's longer-term goals. Of course, all formal feedback should build on the informal feedback given by supervisors throughout the period and “in the moment.”

Feedback should specifically include relevant “soft” skills as well as skills specific to the job. For example, the City Store Sales Associate evaluation form includes categories for “initiative, responsibility, attitude and relationship with other employees” and specific ratings for “eager to learn new skills” and “manages conflict effectively,” etc. The Assistant Manager form includes an evaluation of “leadership,” characterized by “leads by example and attains employee buy-in” and “earns the respect of fellow employees.”

Create incentives for mastery of skills

A business is as successful as the people who work in it. A supported employment business builds its employees' work skills from the ground up. It is important that incentives be built in for their performance. Incentives can include raises, forms of recognition or opportunities for advanced training or promotion. Such "rewards" are paramount given many social purpose enterprise employees' issues around self-esteem or confidence, issues that often are preventing them from taking ownership or being assertive about taking on new responsibilities.

Many of the jobs created in social purpose enterprises start out as low-paying entry-level positions and gradually lead to increased responsibility. Some employees may need to work at this level for a significant period of time; for others this entry-level job can be a short-term stepping stone. A crucial element in employees' progression is instilling the notions of "lifetime learning" and "career path." Having at least one potential internal promotion or next step in a supportive environment can be very valuable in this process. Although such a promotion is easier in a transitional employment setting where there is more turnover and there are job openings, a permanent employment-oriented business can create different levels of job classifications – for instance a step from "Assistant Baker" to "Baker." A promotion can be a very proud moment for someone with poor or no work history.

Tying a small portion of compensation or other incentives to the business' or the division's success as well as to the individual's own skill progression also has various benefits. First, it helps the employee develop a sense of ownership and often, pride, in their job. Second, it is a way to recognize the importance of their contribution. Third, making the connection between employees' jobs and the company's success can provide a very effective lesson in how business works. For example, speeding up production for a crisis or selling two additional bicycle overhauls may seem much more meaningful when the monthly sales and bonus numbers are made public. And, fourth, if the proper business measure is chosen, the employee's incentives are aligned with those of the social purpose enterprise. If the business is part of a larger

nonprofit organization it may need to be creative in how it provides incentives, because they may not be accepted in the parent organization's culture. Yet more motivated employees tend to help the business bottom line and always improve the social bottom line.

Facilitate peer support

Often more meaningful than the assistance employees receive from staff will be the support they provide to each other. Peer support can be formalized through group meetings or informal if employees are working with others. As individuals are making significant, difficult changes in their life and dealing with multiple issues it is incredibly helpful to know the person working beside them has overcome similar challenges, and to be able to talk with someone who has "been there."

At Rubicon Bakery it is a real advantage of having trainees, new employees and more senior employees work side by side. Staff offers support and encouragement to each other while they are preparing tarts to go in the oven, washing dishes or decorating cakes. Our employees who have made it look out for the people who are trying to get it together, and since many people are from the same neighborhoods they are going to know who's really doing what better than a vocational counselor.

If the workplace is one in which people work in isolation, the organization should arrange ways for employees to get together, for workshops or socially, so they can form bonds and a sense of community. Asian Neighborhood Design, for example, has developed a job club where people come to support each other on their employment search and work together with vocational counselors.

Delivery of training

In addition to the general parameters and procedures surrounding training, most social purpose enterprises have given thought to how learning takes place. These "how to's" of delivering training have been developed by seeing what has and has not worked for their distinct populations, and, although the organizations in the REDF portfolio are often very different, their learnings have many commonalities.

Combine instruction with “learning by doing”

Regardless of whether it is primarily formal or informal, training will likely be a combination of instruction and actual experience. It is important initially to weight the training more toward instruction, either from a trainer or peers, while the trainee is developing confidence. However, once trainees have been able to integrate themselves into the business, it is equally important not to “coddle” them, rather to encourage their own problem-solving ability. Social purpose enterprises would be doing a disservice to their employees if they did not expect continual improvement and ultimately the same or higher level of skills, responsibility and leadership found in traditional businesses.

Strive for variety in training

Particularly given the diverse and often hard to reach employee pool, social purpose enterprises can benefit from introducing different styles of teaching and training. Because of their mission, they often have access to experienced industry professionals at low or no cost for short periods of time. For example, window display experts from the Gap coming into a retail store for a hands-on workshop may spark the creativity of one employee the way no one had before. Or, the compelling presentation of a proven sales champion from another industry may make it all “click” for another employee.

Ensure that trainers and supervisors have appropriate skills.

It can be useful to separate training and supervising functions. The supervisor can focus on the operations to ensure the business is running effectively while the trainer can focus on the employees developing their skills. Whether these functions are separated or not, both positions need similar levels of expertise. Staff need to be trained and experienced in their industry and stay current of local trends. To the greatest degree possible, they need the tools and equipment to teach skills that employees would be using if they were placed within a traditional business. At the same time, supervisors must have much more than average patience and ability to work compassionately with people. All staff must be able to understand and constantly balance the often competing demands of the business and employee development.

“Our managers need both the head and the heart; they don’t just need to be a great business person, but also the compassion to be a great vocational trainer.”

Laura McLatchy

EXECUTIVE DIRECTOR, YOUTH INDUSTRY

Operating a social purpose enterprise is hard work; one of the hardest jobs is supervising employees and trainees. Employees often have many difficult issues in their lives and often have not had adequate resources or support to deal with them. Trainers and supervisors need to be special people who are exceptionally committed, but they also need to know the importance of setting limits. They need to make sure employees know that there will be consequences for not following the rules of their workplace. Organizations need to have clear disciplinary procedures with which employees are familiar. Employees need to understand how to contribute to a workplace, a skill they will need throughout their working careers. To help manage the difficulties of their jobs, trainers may also benefit from additional training on how to work most effectively with the target employees. Their training should include the support of a peer network striving toward similar social goals and facing similar challenges.

Selectively use peers to train

Employees are likely to benefit significantly from learning from peers. Not only are peers likely to explain from the employee’s perspective and likely to be less intimidating, they can also be wonderful role models and confidence builders. At the same time, giving an employee the opportunity to train someone builds his or her own confidence tremendously and provides new insight into the role of a supervisor. Naturally, peer training should be guided, supervised and coordinated with a complete training program. At the City Store, Assistant Managers who have been promoted from the entry-level position of Sales Associate play a major role in training new hires in day-to-day operations. Youth Industry takes this approach one step further, asking former Assistant Managers who have subsequently been successful in other jobs to return to Youth Industry as staff in management roles.

Content and curricula of workforce development initiatives

The content of effective training includes not only business and industry specific elements but also several characteristics germane to social purpose enterprises. Employees often lack two critical qualities - confidence in the workplace and “soft” skills that will help them have positive working relationships and tackle the hardships in their lives. Social purpose enterprises must explicitly address these needs through their choice of curricula, by including soft skills training in their development efforts and by using connections to the private sector to make sure all training is relevant.

Implement curriculum and stage skill development

A skills curriculum should be developed and tasks identified. The targeted skills should reflect both the needs of the business and key skills that will be transferable to other positions. Business-related skill objectives should be vetted, if not developed, by someone very experienced in the industry. Ventures may want to invest in actual curriculum development by a professional who understands different techniques of teaching and learning and can identify the most effective way to reach target employees. Regardless, it is usually helpful to have the workplace broken down into tasks and have employees begin with the most accessible. After mastery – a “success” – they gradually increase the difficulty of their work by taking on new challenges.

“We have created three production departments, each with ten or so primary skills to be mastered. A new employee usually starts in the easiest department. The goal is to master each department before rotating. We have to mesh this goal with some realities - it’s hard to balance the timing with a small staff - chances are everyone won’t be able to move at the same time. Also, sometimes we can’t move people into new positions at the best time for them if we have tight deadlines to meet customer orders - they may have to wait until it slows down and we can spend time with them so that they learn the new department.”

Marc Coudeyre

ENTERPRISE DIRECTOR, ASHBURY IMAGES

General skills useful for future employment but not directly relevant to the current position can first be creatively integrated into operations in a minimal way and then developed in “down time.” For example, although City Store employees technically need to learn only the PC-based register software, they also grow familiar with spreadsheets in the process of tracking daily and monthly sales against their goals, and are encouraged to develop their skill in word processing by creating and updating signage throughout the store.

The culture of the workplace also needs to stress learning; the curriculum should be posted, made available and directly tied into performance evaluations and incentives. Supervisors and trainers encourage learning when they create an environment in which questions are encouraged, mistakes are permitted and no one is made to “feel stupid,” particularly in light of the self-confidence issues common among the employees of social purpose enterprises. Given the variety in individuals’ abilities and barriers in supportive environment enterprises, training will likely be self-paced, so having a documented and consistent process and progression of skills is especially helpful.

Integrate life and “soft” skills with job specific training

Although this chapter has emphasized the industry skill development of employees, the most critical element of their ability to keep a job typically lies with their life and “soft” skills. The former may include skills such as handling stress, grooming, being able to manage time and money, punctuality, flexibility, etc. The latter covers skills such as taking direction, working with others, positive attitude, etc. The skills curriculum should integrate all elements that the employees need to improve. In addition to working on both job-specific and soft skills at work, employees should have access to life skills classes or coaching, whether in-house or through another agency.

“We surveyed employers and our current customers and asked what do you want from our employees, how can they improve? The overwhelming answer was “a change in attitude.” So we decided to focus learning

on the soft skills, training that people can't get in a typical work setting."

Michele Tatos

DIRECTOR OF BUSINESS AND FINANCE, CVE

It is equally important that employees have a staff person with whom they can work specifically on their life and certain "soft" skills. This can be a trainer, counselor, or staff from an employee assistance plan or outside referral agency. Preferably their work supervisor does not play this role because it can cloud the line between employees' job performance and their life issues and is not realistic to expect in a typical work setting. The employee assistance plans used by many traditional businesses may not be appropriate to social purpose enterprise employees because of the severity of their issues and the fact that employees are unlikely to feel comfortable obtaining assistance by calling an 800 number.

Create linkages to the private sector
Close relationships to the private sector are essential in order to run a quality program and successful business. Workforce development benefits of these linkages include: keeping current with industry standards, enabling employees to learn more about the industry and developing future employment opportunities. The imperatives of running a competitive business and producing competitive workers both mandate that employees work in the current industry conditions. Employees' knowledge of how to do quality work, proper use of equipment, and safety will help them get a job and ease their acclimation to their new workplace once employed. Employees can learn more about their industry through site visits to other businesses and through inviting private sector employers to discuss the field. Site visits by the private sector will also help minimize the isolation social purpose enterprises can feel. Some organizations create these links by forming technical advisory committees of outside experts.

Social purpose enterprises face challenges in becoming fully integrated into their industry peer groups both because their nonprofit status makes them suspect and because their leadership tends to identify

with the nonprofit community. However, working to make sure the venture is recognized as a business, rather than identified only as a nonprofit, will increase the perceived value of the training employees receive and assist them in finding permanent employment. Ideally, ventures will create linkages to employers that are large enough to hire all of the business' graduates and offer quality jobs and opportunity for advancement. Yet this is often not a realistic expectation. In lieu of having a single large link, cultivating as many professional relationships as it is feasible to maintain (the social purpose enterprise, not the private sector counterpart, will need to do maintenance) provides the most opportunities.

"We have developed a close relationship with a very high volume screen printer. They are eager to hire as many qualified and experienced candidates as we can provide. Thus far we have been conservative about sending anyone over because we want the first person we send over to be a success - we are excited that we are grooming our first candidate right now!"

Marc Coudeyre

ENTERPRISE DIRECTOR, ASHBURY IMAGES

Once employees are placed, they need follow-up and retention support as they adjust to a new work environment. The program design, support and expertise that have helped an employee succeed in a social purpose enterprise are unlikely to exist in a traditional business. Unfortunately, retention support presents many challenges. Although improving, retention support is currently one of the hardest program activities to fund – although it is something funders place emphasis on when they evaluate programs. REDF, in partnership with portfolio organizations, has begun to address this difficulty by launching an impressive data tracking and management system to assist its groups with the challenge of assessing long-term impact and social return on investment. However in the bulk of organizations, retention support remains a pressing need. Sometimes staff will do this work in addition to their regular duties, but it is very hard to do.

Conclusion

In this chapter we have discussed a variety of intervention strategies, peppered with examples from our own experiences. However, we do not think we have all the answers. Starting up a successful small business is difficult, but reaching social impact goals is often harder. Hoping to succeed in both areas can at times seem like an impossible juggling act. And many of the activities we recommend take time and resources. However, we believe that the opportunity that

social purpose enterprises present to combine the benefits of a realistic work setting with a supportive training environment can have a greater impact than traditional approaches. The goal of our work is to make the tools and experience of work and life accessible so that individuals can reach their highest potential. Providing the combination of challenge and support that a social purpose enterprise offers can be the ideal formula to help employees to move forward and create their own successes.

Footnote

- 1 The organization should first research what personal information they are allowed to obtain under current state and federal laws.