Competence Framework for the Management of a Social Cooperative Enterprise

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Authors	Anna Koniotaki, EETAA
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Report on development of the competence framework for the management of a social enterprise

Summary of the occupational field

Social entrepreneurship is probably the newest sector of private-sector economic activity in Greece, highly promoted by state policies since 2011, when the first legislative framework for the establishment and operation of social cooperative enterprises was passed (Law 4019/2011). In 2016, Law 4430, on Social and Solidarity Economy, revisited the regulatory and institutional framework set by L. 4019/2011 to cure certain weaknesses and to provide a more robust base for the development of social and solidarity economy in Greece.

In the context of the present Competence Profile for the Management of Social Cooperative Enterprises, the term 'social cooperative enterprises' encompasses the following types of enterprises:

- Limited Liability Social Cooperatives ("Kinonikos Sineterismos Periorismenis Efthinis" or Koi.S.P.E.), according to Law 2716/99, a special form of enterprise operating in a rather protected mode (partially state-funded), that provide opportunities for the work integration of people with mental health problems (Koi.S.P.E.), and
- Social Cooperative Enterprises ("Kinoniki Sineteristiki Epihirisi" or Koin.S.Ep.), operating in accordance to Law 4430/2016.

Koin.S.Ep.s are further categorised into two types according to their purpose:

- *Inclusion Koin.S.Ep.*, aiming at the socio-economic inclusion of members of vulnerable or special groups mainly through work integration
- *Koin.S.Ep. of Collective and Social Benefit*, focusing at the production and supply of goods and the provision of services in the field either of 'sustainable development' (culture, environment, ecology, education, fair trade, etc.). or 'social services of general interest',

According to Greek legislation, social cooperative enterprises, legally attributed with commercial capacities, are the agencies of social entrepreneurship in the country. Both natural and legal persons can take part in such enterprises, on the basis of one-member-one-vote, regardless of the number of the cooperative shares they hold.

The objective of social economy enterprises, as foreseen by law, is the performance of any commercial activity, which however, aims at the fulfilment of collective interests or includes actions that intend to enhance local and/or regional development. Moreover, another characteristic that differentiates commercial activities taken by social enterprises compared to those taken by any other type of commercial enterprises is that there is no such provision as profit share among shareholders. Profit is treated as surplus, and there are specific limitations to its distribution(5% is annually allocated for the creation of reserve, 35% is distributed to enterprise employees as productivity incentive, and the remaining amount is used in order to cover the activities of the enterprise and the creation of new jobs).

According to the latest data from the Social Economy Registry of the Ministry of Labour (October 2016) 1.221 social enterprises of the above categories had been registered and out of them, 908 have been economically active.

Regarding the size of those enterprises, in their vast majority belong the category of very small businesses (up to 9 employees), following the dominant trend in Greece. As regards the sectoral dimension, the vast majority of enterprises focus on service provision. Regarding employment figures, there are no reliable data available.

The Competence Framework for the Management of a Social Enterprise refers to the management of the above referred enterprises. It is not a formal profession that requires any specific legal requirements or entry qualifications. Furthermore, there is no any specific educational framework that provides qualifications directly linked to that occupational role.

The rationale for the framework

The choice of the 'Management of a Social Cooperative Enterprise' as the subject for the development of a competence framework was made on the basis of the fact that although social entrepreneurship in Greece has been a policy priority for the last 6 years, the competence profile for the management of a social enterprise remains unexplored. Furthermore, despite the large-scale programs to promote social entrepreneurship that took place in 2013-2015, a large number of social enterprises that have been established are facing severe viability problems, that to a larger or lesser extent have to do with the lack of basic knowledge, skills and experience related to management and entrepreneurial experience.

In that context, the Competence Framework for the Management of a Social Enterprise is expected to contribute to the dialogue currently under way as regards policies to support social entrepreneurship in Greece. It provides a rich insight for the development of an appropriate job description and the fact that it was developed after wide consultation with the social entrepreneurial community renders it a credible tool to support policy-makers.

The Framework may also provide the basis for the development of educational and / or continuing vocational programs and serve as a basis for qualifications, in the context of NQF.

The development process

The development process followed the methodological principles was agreed in the context of the ComProCom project.

The draft Framework was developed by EETAA in cooperation with practitioners in the field and sector experts who voluntarily assisted with the development. The procedure involved meetings and e-mail communications for the exchange of comments and the various versions of the draft Competence Profile. The team started its work from a blank paper, and the draft Framework was built gradually, following a participative mode of cooperation.

The organisations involved in the development process, were excluded from the consultation and the trialling processes.

The decision about the final content was consensus-based, while the whole procedure was coordinated by the EETAA scientific responsible.

Consultation and trialling

The consultation process was launched on August 31st, 2016.

The initial step was to send by e-mail an invitation to participate in the consultation process to 100+ entities. The vast majority of the recipients were social cooperative enterprises across Greece and a limited number of individual experts and competent national authorities.

The initial deadline was September 15th. However, the response rate was disappointingly low, so in late September we started contacting practitioners and sector experts in person via e-mail or telephone. That practice bore positive results, but on the other hand it has proven time- and effort-consuming. Each potential respondent was met twice (in most cases) while in some cases skype meetings were contacted. The usual practice was that one meeting was devoted to the presentation of methodology and the logic of the Framework and the second meeting was after a request of the respondent for a further discussion or clarifications. In all cases the feedback report was completed without the presence of the ComProCom team member. In almost most cases the feedback was sent by e-mail to the ComProCom team member responsible for the consultation.

The individuals selected for personal contacts where

- Social entrepreneurs
- Training and Qualifications experts
- Social Economy experts

The consultation phase ended in early December 2016 and in total, we received 11 responses from:

- 5 responses from social entrepreneurs
- 2 responses from VET / qualifications experts
- 4 responses from social economy experts (working for social entrepreneurship initiatives / representative bodies)

The consultation procedure was very productive, because it gave us the opportunity to discuss in detail all aspects of the draft framework with the respondents. In general, no major changes were suggested, and the feedback was positive. The comments helped us clarify certain areas of the Framework and the whole process confirmed its relativity with the actual challenges and conditions faced by a manager of a social enterprise.

As a general conclusion, based on the consultation results, it can be claimed that the Framework, in terms of content, clarity and resistance to future changes is meeting the expectations of its potential users.

After the consultation phase, the draft of the Competence Framework for the Management of the Social Enterprise entered its trialling phase, in December 2016.

We designed a rather lengthy (28 pages) quantitative questionnaire with a limited number of open questions. The answering of the questionnaire prompted the respondent to probe into the content of the Framework and enter into a self-evaluation process. The questionnaire was distributed in printed form to 20 people involved in the management of social enterprises active in various

economic fields (trade, IT services, handicrafts, manufacturing, cultural tourism, communication, environment, urban planning, catering, etc). The distribution took place at an event organised by a network of social enterprises on 21 December 2017, in Athens. There, we were allowed to have an info point at the entrance hall, where we had the chance to inform in depth potential respondents about the project and ask them to participate in the trialling. It should be noted that (a) the main selection criterion was that respondents are involved in the management of an economically active social enterprise and (b) that the people who participate in the trialling are different to those who took part in the consultation or the development phase.

The trialling process ended in February 2017.

In general, the findings of the trialling phase ensured the content of the Competence Framework and no further changes were made. The Framework thus was finalized after the completion of the trialling process.

Matters arising

The situation so far indicates that the Framework is being broadly endorsed by the social entrepreneurs. The Framework has been widely discussed among networks of social entrepreneurs, with the competent authorities of the Ministry of Labour (Directorate for Social Economy) and with representatives of the National Organisation for Qualifications (EOPPEP).

The Framework has revealed that the management of a social enterprise requires a combination of knowledge and skills that are significantly differentiated to those needed for the management of any other type of private enterprise. Issues such as social and environmental impact concerns and moreover participative leadership are priority issues for a social enterprise but on the other hand that contradicts with the governmental policies so far, that focus at socially vulnerable groups, who in their vast majority lack any knowledge and skills, as far as entrepreneurship is concerned. Thus, in that context, the Framework challenges dominant perceptions about the population that can be successfully involved and the terms and conditions that may guarantee a successful outcome.

In the same line of thought, in the case of the work done for the development of the present Framework, it should be noted that the participants could be considered as isolated 'cases' of social entrepreneurs who manage to keep their enterprises alive, despite the negative market circumstances of the Greek economy, satisfying to a larger or lesser extents certain success criteria (as regards knowledge, skills, previous work experience).

Conclusions

The whole process for the development of the Framework was bottom-up constructed, based on the work experience of the people involved in the management of social cooperative enterprises. In that context, the whole procedure had a strong participative element and allowed stakeholders' voices to be 'heard'. The fact that the Framework has been presented in various settings and it was examined and discussed in depth, proves in a way the reliability of the ComProCom methodology as a tool to produce competence profiles, and in our case the Competence Profile for the Management of a Social Cooperative Enterprise.

The project team has been invited to present the work done in various occasions and, as already mentioned; the authorities that are responsible for the policy making in the field of (a) social entrepreneurship and (b) qualifications have been informed in detail about our work.

Finally, the Framework and the results from the trialling questionnaire give us the opportunity to identify specific training needs and we are considering ways to develop training programmes for social entrepreneurs or contribute to the design of such programmes by other parties.

Furthermore, the ComProCom methodology for the development of competence profiles may be applied in other fields as well, in relation to EETAA scope of activities.

Annex 1: The Competence Framework for the Management of the Social Cooperative Enterprise

Introduction

The project titled 'Communicating Professional Competence' (acronym: ComProCom), led by the Hellenic Agency for Local Development and Governance (EETAA), was approved in the context of the programme ERASMUS+ - Strand KA2 – Strategic Partnerships for vocational education and training (contract number 2015-1-EL01-KA202-013960). The partnership is comprised by organizations from UK, Ireland, Germany, Poland and Austria.

The project aims to improve the way that descriptions of competence match how professions and occupations work in practice, in particular in moving away from descriptions of tasks and responsibilities to considering core capabilities that have wide application within each field, are not limited by assumptions about the organization and context of individual jobs, and are resilient to changes in practice and technologies.

In that context, the project aims to develop a common European approach for the development of competence frameworks that reflect the level of understanding and ability required in the relevant occupations, are concerned with core capability rather than the specifics of job roles, and are resilient to changes in legislation, technology and techniques.

The design of the Competence Framework was based on the methodology developed in the context of the ComProCom project and adopted a cyclical model of competence description.

The Competence Framework for the Management of a Social Cooperative Enterprise

The Competence Framework for the Management of a Social Cooperative Enterprise sets out the principal activities required for that occupational role. The principles are designed to apply regardless of the size of enterprise or the sector(s) it operates in, and need to be interpreted in the relevant context.

When applied to an individual manager, this framework may be interpreted as applying to activities that the manager undertakes personally, as well as those delegated to colleagues. The manager should however have sufficient expertise and competence to oversee and evaluate delegated activities, ensure that they have met their objectives, and interpret their significance for the enterprise.

THE COMPETENCE FRAMEWORK FOR THE MANAGEMENT OF A SOCIAL COOPERATIVE ENTERPRISE (Level 2 analysis)			
Investigate /assess • Identify new opportunities and/or risks for the enterprise • Evaluate the social and environmental impact of the enterprise and its relation to current and anticipated social needs • Assess the viability of the enterprise • Evaluate the capabilities and capacities of the members of the enterprise	**Plan / Decide / Improve** • Develop the business plan and associated policies, plans and strategies to ensure the effective and sustainable operation of the enterprise. • Ensure that policies, plans and strategies are feasible, ethical and promote the aims of the enterprise	**Manage the enterprise** • Work effectively with the Executive Board / General Assembly to implement the business plan and the associated policies, plans and strategies, and ensure that the enterprise's objectives are met • Invest in know-how to support the objectives of the enterprise • Communicate and collaborate with other organizations and/or stakeholders to promote the enterprise's goals • Ensure that the enterprise is effectively and accurately represented • Resolve conflicts • Implement and promote the principles of participative leadership	**Review / evaluate / analyse** • Review financial outcomes and performance • Implement internal evaluation procedures and present the results. • Use evaluation results to recommend changes to policy, planning and practices
Ethical issues • Maintain up-to-date knowledge of, and act in accordance with, relevant legislation • Act in in accordance with the statutes and the internal regulations of the enterprise • Operate according to the principles of transparency and accountability • Ensure that the business practices are balanced with the social and person-centered approach of the enterprise	**Self-management and continuing development** • Acknowledge and fulfil the expectations and procedures related to own role • Maintain and further develop own knowledge and skills in relation to current and future work requirements		

THE COMPETENCE FRAMEWORK FOR THE MANAGEMENT OF A SOCIAL COOPERATIVE ENTERPRISE   (Level 3 analysis)

1. Investigate and assess factors for the development of the enterprise

1.1. Identify new opportunities and/or risks for the enterprise

This includes:
- Implementation of proper methodologies to identify opportunities and risks for the enterprise (as for example SWOT analysis)
- Research to identify market needs for products and services that can be offered by the enterprise
- Identifying the extent of competition in the enterprise's potential markets
- Identifying and assessing financing opportunities and other forms of support provided by sponsors, supporters, and external (including EU) sources of funding
- Making use of (formal and informal) networks to gain intelligence and to exchange information and views.

1.2. Evaluate the social and environmental impact of the enterprise and its relation to current and anticipated social needs

This includes:
- Identifying and assessing existing and emerging social and environmental needs relevant to the enterprise's area of operation
- Choice of proper methodology and tools to assess/ measure social impact
- Reviewing the social impact of the enterprise and assessing the extent to which it can be oriented towards identified needs
- Assessing the effectiveness of the enterprise in relation to identified social need / where necessary designing and recommending changes to its focus or operations.

1.3. Assess the viability of the enterprise

This includes:
- Assessing the overall financial performance of the enterprise, and identifying the reasons for any shortfalls
- Assessing the effect of the fiscal environment and other external factors on the performance of the enterprise
- Identifying opportunities to improve financial outcomes without compromising the values and principles of the enterprise
- Identifying any issues relevant to the market relevance of products and services,
- Identifying opportunities to improve/update products and services

- Identifying needs and opportunities as regards products and services offered by other social and solidarity economy organisations.

1.4. Evaluate the capabilities and capacities of the members of the enterprise

This includes:

- Collecting and collating data on the knowledge, skills and qualifications of the enterprise's members, their availability and their wishes, and any obstacles or difficulties they are experiencing.
- Identifying how the enterprise is best placed to take forward its objectives by making effective use of its members' capacities through job creation.

2. Plan / Decide / Improve

2.1. Develop the business plan and associated policies, plans and strategies to ensure the effective and sustainable operation of the enterprise.

This includes:

- Developing various scenarios regarding entrepreneurial activity and business planning.
- Open dialogue among members and joint decision on the best scenario.
- Developing a business plan for the enterprise that defines activities, resources, economic, social and environmental objectives
- Developing associated policies, plans and strategies that support the business plan and provide a framework for the management and development of the enterprise
- Developing proposals for the development of enterprise's human resources that meet the needs of the enterprise, make effective use of members' capacities, and provide opportunities for unemployed members
- Ensuring that policies, plans and strategies are mutually supportive and complementary to each other

2.2. Ensure that policies, plans and strategies are feasible, ethical and promote the aims of the enterprise

This includes:

- Ensuring that the policies, plans and strategies are feasible and conform with the principles and values of the enterprise
- Implementation of participative decision-making procedures in relation to the content of the policies, plans and strategies.

3. Manage the enterprise

3.1. Work effectively with the Executive Board / General Assembly to implement the business plan and the associated policies, plans and strategies, and ensure that the enterprise's objectives are met

This includes:

- Implementing, and monitoring the implementation of the business plan and the associated policies, plans and strategies
- Ensuring effective human resource development in accordance with the agreed human resource policies
- Preparing any suggestions for the Executive Board and the General Assembly, and ensuring that they are adequately documented
- Implementing the decisions of the Executive Board and/or General Assembly by interpreting them into tasks and obligations, both for the manager and for delegation to others taking into account factors, such as work load and personal traits.
- Ensuring that staff understand and are able to carry out the matters and tasks delegated to them.

3.2. Invest in know-how to support the objectives of the enterprise

This includes:

- Reviewing the sectoral press (domestic and international), events and other relevant sources of information to identify new developments and sources of expertise and to acquire know-how relevant to the enterprise operation.
- Ensuring that the needs of the enterprise for know-how are adequately identified and assessed
- Identifying and making use of funding opportunities and sources of free or subsidised support that support the acquisition of relevant know-how
- Securing know-how that is sufficient to meet the objectives of the enterprise and to enable it to develop in accordance with its longer-term ambitions.

3.3. Communicate and collaborate with other organizations and/or stakeholders to promote the enterprise's goals

This includes:

- Identifying the communication needs of the enterprise
- Ensuring and coordinating an effective communication strategy
- Developing effective networking at enterprise level, in the sectors, locations and communities that are relevant to the enterprise's activities
- Pursuing the development of networking and synergies with complementary organisations where this is possible and likely to be effective

- Monitoring networking activities for their effectiveness and efficiency.

3.4. Ensure that the enterprise is effectively and accurately represented

This includes:

- Ensuring that the enterprise is represented effectively in the sectors and communities that are relevant to it
- Ensuring that personal communications, and those of staff members and where relevant volunteers, represent the enterprise accurately and effectively.

3.5. Resolve conflicts

This includes:

- Designing formal and informal procedures for conflict resolution
- Locating emerging conflicts and taking effective preventive action
- Defusing tensions and overcoming differences of opinion using relevant conflict resolution skills and tools.

3.6. Implement and promote the principles of participative leadership

This includes:

- Involving staff and members in decision-making using the principles of participative leadership as they apply in the context of the expectations, procedures, values and vision of the enterprise
- Encouraging others with management or leadership roles in the enterprise to adopt participative leadership approaches in their work.
- Implementing empowerment practices, for the promotion of participative leadership

4. Review / evaluate / analyse

4.1. Review financial outcomes and performance

This includes:

- Reviewing the annual financial performance outcomes together with social and environmental impact results, in the light of previous performance, agreed objectives and budget forecasts.
- Drafting of the presentation of annual outcomes, on the basis of the standards of the enterprise.
- Analysing causes for divergence from goals and expectations
- Presenting the annual report to the Executive Board and the General Assembly

4.2. Implement internal evaluation procedures and present the results.
This includes:

- Applying previously-agreed internal evaluation methodologies and criteria
- Reviewing actual perfomance against agreed performance indicators, customer satisfaction and social impact criteria
- Exploring any specific problems that arise from the evaluation and from interaction with colleagues
- Presenting the results to the Executive Board / General Assembly. Preparing material of annual report for general publication
- Using the results of the evaluation to improve future criteria and indicators.

4.3. Use evaluation results to recommend changes to policy, planning and practices

This includes:

- Drawing out and summarising evaluation findings that have implications for how the enterprise operates
- Using the findings to make changes to day-to-day management practices
- Making recommendations for change, backed by relevant documentation and data, to the the Executive Board / General Assembly.

5. Self-management and continuing development

5.1. Acknowledge and fulfil the expectations and procedures related to own role

This includes:

- Recognizing and acting in accordance with the expectations associated with the role and the principles and procedures of the enterprise
- Working within the limits of authority of the role, referring matters outside of this to the Executive Board / General Assembly
- Developing a personal work programme, managing own time and resources effectively to achieve it
- Responding positively and constructively to any criticisms arising from formal and informal review and evaluation.

5.2. Maintain and further develop own knowledge and skills in relation to current and future work requirements

This includes:
- Ability for self-evaluation
- Identifying own strengths and limitations in respect of current and emerging work requirements, and taking action to develop the knowledge and skills needed to be able to act effectively (this may be through various means e.g. formal training, events and networks, discussion with colleagues and experts, self-directed study and investigation, and action-based learning)
- Identifying any technical expertise (e.g. accounting, law, marketing, the specific field/s of the enterprise) needed personally to operate effectively, and acting to gain this at the appropriate level
- Using feedback at work, whether formally from reviews and evaluations or informally from colleagues, members and customers, to help identify areas for development or changes in approach.

6. Ethical issues

6.1. Maintain up-to-date knowledge of, and act in accordance with, relevant legislation

This includes:

- Having, and being able to apply to day-to-day operations, a comprehensive knowledge of the legislation specific to social enterprises
- Ensuring that the enterprise operates within the law, drawing on an adequate knowledge of the law relating to both business operations and the specific field of operation of the enterprise
- Pay particular attention on the issue of personal data protection (where applicable)
- Knowing when legal advice is necessary or beneficial
- Working effectively with legal specialists from within or outside the enterprise.

6.2. Act in in accordance with the statutes and the internal regulations of the enterprise

This includes:

- Working in accordance with the spirit and the values of the enterprise's statutes and internal regulations, and ensuring that others do the same
- Acting in a way that takes into account the social and environmental impact of the enterprise (and the need to assess it).

6.3. Operate according to the principles of transparency and accountability

This includes applying the principles of transparency and accountability

6.4. Ensure that the business practices are balanced with the social and person-centered approach of the enterprise

This includes:

- Maintaining a balance between the business and social or community objectives of the enterprise, in line with its values and vision
- Ensuring equality of opportunity and fair treatment for the enterprise's staff, volunteers, customers/supporters, and stakeholders
- Promoting the person-centered approach with means and tools that render the members, employees, volunteers and target-groups agents of change
- Making fair and ethical use of any voluntary support that the enterprise uses.