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Investigating the *outcome* performance of work-integration social enterprises (WISEs): Do WISEs offer 'added value' to NEETs?

Abstract

This study takes a comparative approach to study the 'outcome' performance of a WISE and a 'for-profit' work-integration organisation that both provided employment enhancement programmes to NEETs. Participants at both organisations completed general self-efficacy questionnaires before and after engagement on the programmes. Additionally, semi-structured interviews and focus groups were held with the owners and staff at both organisations. Results revealed no significant difference between the 'outcome' performance of the WISE and for-profit organisation. However, analysis of the organisational aims, values and structures suggests that the 'added value' offered by the WISE came from the different induction policy that it operated.

Keywords: WISE, NEET, General Self-efficacy, comparative research & evaluation.

Social Enterprise & WISEs

Prior research has focused upon the differing organisational structures, aims and values that are inherent to social enterprises when compared to other third sector or private sector organisations (Dart, 2004). In defining what constituted a social enterprise the 'l'émergence des entreprises sociales' (EMES) identified five social dimensions that must be present. The EMES definition stated that a social enterprise had to have an 'explicit aim to benefit the community', to be an 'initiative launched by private citizens', to have a 'decision-making process not based upon ownership', to have a 'participatory nature for all stakeholders' and to operate a 'limited profit-distribution model' (Borzaga and Defourny, 2001). Campi *et al*. (2006) identified that in relation to this social enterprises had aims that were economic, environmental and socio-political and it was this 'triple-bottom line' of aims that distinguished social enterprise from other forms of business. Research conducted by Gui (1991) and Reid and Griffith (2006) explored the unique 'dual ownership' structure operated by social enterprises that gave both the owners, beneficiaries and other stakeholders ownership over the company through access to its decision-making functions in a form of 'associative democracy'. This dual-ownership structure allowed a social enterprise to draw upon the 'social capital' available in the community and to utilise this 'social capital' in order to deliver its social mission (Coleman, 1990; Putnam, 1993a). Additionally, Campi *et al*. (2006) also highlighted how the multi-stakeholder approach adopted by many social enterprises allowed them to source income from the private, public and third sectors. This flexibility in income generation allows the social enterprise to bring 'added

value' to its operations through flexible income generation such as private trade or public sector contracts, as well as through the utilisation of 'social capital' from the community such as volunteering (Haugh and Kitson, 2007; Reid and Griffith, 2006).

However, other research has identified the pressures that such diversity of income can bring to social enterprises, with the 'mission drift' that can occur due to pressures from funders (mainly in the public sector) being particularly acute (Aiken, 2006; Seddon *et al.*, 2012). Despite this focus upon the unique organisational aims, values and structures of social enterprises, there has been little attempt to evaluate the impact that such structures have upon social enterprise performance. In relation to work-integration social enterprise (WISE), whilst some prior research has been conducted into the performance of WISEs across Europe that demonstrated that they had a positive effect on their beneficiaries (Borzaga and Loss, 2006), this research has been limited by sub-optimal methodological approaches that have reduced the academic rigour of such evaluations (Denny *et al.*, 2011). Additionally, there has been no comparative research that has sought to compare WISE performance with that of comparable for-profit organisations (Peattie and Morley, 2008) and to do so within an organisational analysis centred upon the aims, values and structures of differing organisational forms.

Securing robust, valid and reliable tools for the evaluation of EEPs delivered by WISEs or for-profit organisations presents a range of problems. The evaluation of EEPs can be both simple and complex depending upon whether the focus of the evaluation is on *output*, *outcome* or *impact* (McLoughlin *et al.*, 2009). 'Output' can be defined as the relationship between the number of unemployed individuals accessing the programme and the number who subsequently gain employment. An 'outcome' represents psychological benefits experienced by participants that will enhance their future employability. 'Impact' is an even longer-term benefit and is the 'impact' on society resulting from the reduction of unemployment (i.e. reduced unemployment benefits). This research study focused upon comparing the 'outcome' performance of a WISE and a for-profit comparison group that delivered EEPs to young people not in education or training (NEET). In conducting this comparison the study built upon prior research by Denny *et al.* (2011) that established a research method for the evaluation of the 'outcome' benefits experienced by NEET individuals who engaged with employment enhancement programmes (EEPs). This prior research tested the suitability of

employing a general self-efficacy scale (GSE) to measure changes in GSE after NEET engagement in an EEP delivered by a WISE (Denny *et al.,* 2011).

NEETs & General Self-Efficacy

Yates and Payne (2006) interviewed 855 young people through the Connexions agency and from these interviews concluded that NEETs are a more heterogeneous than homogeneous entity. Yates and Payne defined three potential NEET subgroups, (1) 'transitional' i.e. those who are temporarily NEET due to individual circumstances but who quickly re-engage with employment, education or training; (2) 'young parents' i.e. those who are young parents and make a conscious decision to disengage with employment, education or training in order to look after their children and (3) 'complicated' i.e. those young people who are NEET and who also exhibit a number of 'risks' in their lives (i.e. being homeless, engaging in criminal behaviour, and/or having emotional/behavioural problems) (Yates and Payne. 2006). Prior research also provides strong evidence of a close relationship between 'social exclusion' and NEET status (Yates & Payne, 2006; Payne, 2002; Williamson, 1997). 'Social exclusion' can be predicated on poor academic achievement, low levels of school attendance, chaotic living arrangements, low socio-economic status and exclusion from school (Payne, 2002; Furlong, 2006). This 'social exclusion' leads to what Ball *et al.* (1999) termed the 'hazy future' NEETs who have no definitive aspirations and who are generally associated with the 'complicated' NEET sub-group (Yates and Payne, 2006).

General self-efficacy (GSE) can be defined as *'…belief in one's overall competence to effect requisite performance across a wide-range of achievement situations'* (Eden, 2001). Prior research into general self-efficacy reports that, success in life; persistent positive vicarious experiences, verbal persuasion and psychological states can augment general self-efficacy (Chen *et al.*, 2001). Judge *et al.* (1997) stated that GSE is a psychological construct that refers to an individual's confidence, motivation and self-belief. Denny *et al.* (2011) proposed that the negative influences of social exclusion reported above could similarly have a negative effect on NEET GSE. Furthermore, their research validated the use of GSE as a measure of 'outcome' performance for organisations that deliver EEPs to NEET individuals.

Research Aims

The primary aim of the research was to reveal and compare the 'outcome' performance of both the case-study organisation's EEPs and to explore any differences in such performance in relation to organisational aims, values and structures. The research sought to evaluate two EEPs for NEETs, one delivered by a WISE and the other by a for-profit comparison group (CG). The research involved two separate and distinct phases. The first phase utilised a quantitative, longitudinal intervention methodology employing an extensively used and validated GSE scale (Schwarzer and Jerusalem, 1995) in order to test for changes in NEET GSE scores between commencing the EEP (T1) and completing the EEP (T2). This first phase of the research aimed to test the following hypotheses.

> *Hypothesis 1*: The participants taking part in the training programme delivered by the WISE will display a statistically significant greater increase in their levels of GSE from T1 to T2 than their counterparts at the for-profit comparison group (CG).

> *Hypothesis 2:* There will *not* be a statistically significant difference between the T1 GSE scores of the NEETs at both work-integration organisations.

The second phase of the research involved the researchers conducting semi-structured interviews and focus groups with the owners and staff at both of the case-study organisations in order to understand how their organisational aims, values and structures impacted upon 'outcome' performance. Specifically, it aimed to explore the following research question.

> *Research Question:* To critically assess each case-study organisation's aims, objectives and structure with reference to how these factors impact upon the provision offered to NEET participants.

Method

Participants

A total of 82 NEET participants engaged in the first phase of research at T1. However, of these initial 82 participants only 43 were still present at the EEPs at T2 and of these 43 participants three were identified as outliers and removed from the data set, leaving a total of 40 NEET participants (WISE = 16; CG = 24). The second phase of the research involved the owners/managers of each case-study organisation participating in individual semi-structured interviews or focus groups. A total of 19 individuals participated in this second phase of the research. Table 1 below outlines the sample data for both phases of the research.

[Insert Table 1 here]

Measures

The first phase of the research involved the NEET participants completing Schwarzer and Jerusalem's (1995) GSE scale. This scale utilises Likert response scales in which the participants rate their ability at certain tasks and prior research has shown this to be a reliable measure of GSE (Scherbaum, 2006). Participants are asked to read 10 statements relating to their ability to deal with general tasks and then rate how well each statement applies to them on a four-point scale ranging from 1 (Not at all true) through to 4 (Exactly true). Sample questions are 'I can always manage to solve difficult problems if I try hard enough' and 'I am confident that I could deal efficiently with unexpected events'. The GSE scale at T1 also contained a front-sheet designed to capture demographic data (i.e. gender, age, highest educational achievement).

The interviews and focus groups that took place with the owners and staff at the social enterprises respectively were semi-structured and were digitally recorded for transcription. The owner interviews explored areas relating to 'organisational history', 'organisational values', 'performance measurement', 'funding', the 'intervention programme' and the 'future'. The staff focus groups explored areas relating to 'organisational history', 'organisational values', the 'intervention

programme' and 'staff development'. However, due to the semi-structured nature of the interview and focus group design, participants could also discuss any other areas that they felt were relevant.

Intervention

Both the WISE and the CG delivered the UK government's 'Foundation Learning' programme to the NEET participants. The Foundation Learning programme consists of participation in a 20-week intervention that aims to raise participant's generic skills in ICT, maths and English, improve their team-working and social skills, and improve their confidence and motivation. The Foundation Learning programme aims to develop employability skills such as CV writing and is focused on young people that are at NVQ Level 2 or below. Upon starting at the WISE or the CG, the participants were seen individually by the research team, whereby they completed the GSE scale (T1). Upon completing the programme the participants again completed the GSE scale (T2).

Analysis

For the quantitative element of the research (Phase 1) all questionnaire data was inputted into SPSS version 17.0 and all analyses were conducted using this software. The data was checked for normality utilising histograms and P-P plots and found to be normally distributed. Changes in participant self-efficacy between T1 and T2 were analysed using paired-sample t-tests. Differences in changes in participant GSE scores over time at the two organisations and differences in participant GSE at T1 were explored using one-way ANOVAs. As the data was normally distributed, all tests used were parametric.

The method employed to analyse the interview and focus group transcripts was 'Constant Comparative Method' (Glaser & Strauss, 1967; Lincoln & Guba, 1985). Constant Comparative Method (CCM) is an iterative procedure designed for the qualitative analysis of text and is based on 'Grounded Theory' (Glaser & Strauss, 1967). This method of analysis focuses on a process where categories emerge from the data via inductive reasoning rather than coding the data according to predetermined categories (Maykut & Morehouse, 1994).

Quantitative Data (Phase 1)

Instrument Reliability

Cronbach's α for the GSE scale used in the research were run both at Time 1 and Time 2. The GSE scale performed reliably, achieving a Cronbach's α of .71 and .78 (T1) and .69 and .67 (T2).

Quantitative Results

Hypothesis 1: *The participants taking part in the training programme delivered by the WISE will display a statistically significant greater increase in their levels of GSE from T1 to T2 than their counterparts at the for-profit comparison group (CG).*

Paired-sample t-tests were employed to explore the change in GSE scores between T1 and T2 for NEET individuals at both the WISE and CG case-study organisations. Results of the paired sample t-tests revealed a statistically significant increase in GSE ($p < .05$) between T1 and T2 for individuals that completed the WISE intervention programme and a statistically significant increase in GSE ($p < .01$) for those NEETs that completed the CG intervention programme (see Table 2).

[Insert Table 2 here]

A one-way ANOVA was then conducted to compare the difference between the T1-T2 change in GSE at the WISE and the T1-T2 change in GSE at the CG (see Table 3).

[Insert Table 3 here]

The overall results revealed no statistically significant difference between the increases in GSE experienced by the NEETs at the WISE and the CG organisations. *Hypotheses one not confirmed*.

Hypothesis 2: There will not be a statistically significant difference between the T1 GSE scores of the NEETs at both work-integration organisations.

A one-way ANOVA was conducted in order to explore the difference in GSE scores at T1 for the NEETs at the WISE and the NEETs at the CG (see Table 4).

[Insert Table 4 here]

The results revealed that there was a statistically significant difference between the T1 GSE scores of the NEETs at the WISE and the T1 GSE scores of the NEETs at the CG, with the NEETs at the WISE having an average T1 GSE score that was 6.80% lower that the NEETs at the CG. *Hypothesis 2 not confirmed.* Additionally, when highest educational achievement was analysed utilising Chi-squared tests for each case-study organisation separately, the results showed that the WISE was inducting NEETs with fewer educational qualifications on to their programmes than the CG. At the WISE a larger proportion of the NEETs enrolled had no qualifications at all (31.3%), compared with the CG (17.00%). Additionally, only 21.9% of the NEETs at the WISE had 5+ GCSEs compared to 42.6% of the NEETs inducted at the CG.

Qualitative Data (Phase 2)

WISE Interview and Focus Group Data

Analysis of the interview and focus group transcripts from the WISE case-study involved engaging with the five stages of CCM. During 'immersion', 61 discernibly different units of analysis were identified from the data (e.g. 'funding pressures' and 'foundation learning'). During 'categorisation', these 'units of analysis' were grouped into 14 'categories' and from these 14 categories five 'themes' emerged through a process of 'phenomenological reduction'. These five emergent 'themes' were subsequently interpreted as: 'state contracting', 'stakeholders', 'NEETs', 'organisation' and 'the programme'. A diagrammatic illustration of this qualitative analysis process is provided for further clarification (see Figure 1). This process was replicated for all the subsequent CCM analyses.

[Insert Figure 1 here]

Theme A – State Contracting:

The staff and owners/managers at the WISE talked about the difficulties that are inherent in state contracting. The difficulties of coping with the complex funding arrangements and balancing the organisation's 'triple-bottom line' were discussed, along with the problems caused by the contractual need to provide performance evaluation data. The participants also articulated the problems surrounding current work-integration provision for NEETs, particularly with reference to the criteria laid down by government. Finally, constant changes in government policy were also outlined in relation to the impact that this had upon the programme.

> *"…we're up against the colleges and we are up against large organisations and training providers in Lincoln that have the resources to do that* [performance evaluation]. *We don't have that…"* (P10)

> *"If you can get a kid to leave here and he applies for a job and gets a job, or learns interview techniques or how to write a CV or all the other things that he has learned, such as giving him the confidence or the self-respect, even if he hasn't got a job with it then hang on a minute that is a brilliant contribution to society."* (P2)

> *"…from my side of the fence we need to get kids through within a certain period of time to maximise the opportunity and the funds available, to be sure that we have the contract and can repeat that contract again the following year."* (P10)

> *"…policy is driven by Whitehall talking to big business, and in the case of the 16-19 age group they listen to colleges, and in the case of under 16's they listen to schools. All of those different sectors have an agenda that is about protecting their way of doing things……They don't do the soft skills very well so they don't want that to be on the agenda…"* (P12)

Theme B – Stakeholders:

Stakeholders were stated by many of the participants to be crucial to the successful functioning of the WISE, whether these were internal or external stakeholders. In relation to external stakeholders

misperceptions of what a social enterprise represented along with poor communication and a perceived lack of trust caused the organisations difficulties and hence impacted upon the programme that the WISE delivered. The importance to the social mission of an inductive recruitment policy towards staffing along with regular training was also discussed.

> *"We seem to fear to trust anybody now……with a trust basis then there will occasionally be dodgy things that will happen or something will go wrong. But I reckon that will be very much a minority and the vast majority of cases you will get much better value for money and you'll get much better performance…."* (P12)

> *"In terms of the outcomes that we're after, we are after character change which is very difficult to quantify. In terms of the programme it is how many qualifications have they got because it is all measurable. We are not about getting qualifications though we are about being able to go out into society and be a better human being."* (P7)

> *"[The new member of staff]* would come thinking he was only going to be a *[job title]* and we would have to say well actually we are looking for something deeper. We are looking for somebody who is totally committed to the social enterprise and everything that we are."* (P8)

Theme C – NEETs:

The owners/managers at the WISE talked about the NEETs that their organisation worked with. The difficulties of breaking the negative cycles and values that were inherent in the young people because of their family and social backgrounds were raised. The diversity of the NEET population was also discussed and how this had been altered by the 'credit crunch' and the subsequent recession. In terms of recruiting the NEET young people the difficulties of doing this were discussed in relation to the removal of EMA and Connexions. Additionally, the impact upon programme provision of having an open-induction policy (that was seen as vital to the social mission) was outlined, mainly due to the increased levels of 'social exclusion' that the participants therefore had.

"…the level of kids that we are getting on the programme has gone up a little bit…It's just the fact that the NEET group has vastly increased in the last two years to what 1½ million or something if you take all the figures in…" (P12)

"…there were a lot of people who were out picking squashes and the guy was paying £7-8 an hour…and pretty much the attitude of half the lads was 'well that is a job for Polish people'……that is an attitude that they have got from the parents. You are always fighting against that." (P11)

"…they [Connexions] *were the main source of referrals and for the child to get his EMA they had to go to Connexions……as they have to be in education, training, or employment. So they went to Connexions for referral* [now they cannot].*"* (P8)

"I have always felt as an organisation we are almost morally obligated to take on some of the learners the other sites won't take, which has within itself great challenges but it also has greater rewards from a social point of view……That is the beauty of social enterprise and where we sort of step into the equation." (P5)

Theme D – Organisation:

The interview and focus group participants talked about the organisational structure of the WISE and how this allowed the staff to be more flexible and informal in their programme delivery. Perhaps more importantly though was the organisational emphasis upon the social mission and how this allowed the various stakeholders to prioritise as much as possible social outcomes over financial outcomes. The impact that the social and voluntary aims of the WISE had upon the local community was also raised alongside an acknowledgement that the WISE felt that they were at the heart of their community.

"What we do is that all the salaries are a bit lower, particularly the chief executives and the senior people they are lower, but we have got a darn sight more staff because we use the money to spread much more. So you end up with what really matters which is the sharp end, you've got more one to ones rather than sticking 20 kids in a classroom…" (P12)

"I think it is giving young people an opportunity for self-fulfilment and self-development in relation to a working environment, because they are all used within the projects at [WISE] *that they manage and deliver. So I think it is very unique in the way that kids achieve qualifications but also in their own self belief as well..."* (P10)

"It has a massive impact and that is where the trust and the support that you get from your overarching body which is your trustees is hugely important. When you go to a trustee meeting and say we could lose £111,000 this year……And they said right okay let's have a look, who have we saved, who is a better person. And they are prepared to look at that and whilst you don't want to lose the money they are prepared to just look at that and say we will not just turn into a sausage factory." (P8)

Theme E – The Programme:

The interviewees discussed the supportive (but structured) environment that the WISE offered in relation to treating the young people with respect. The provision of mentors and role-models were seen as important in developing the NEETs and the focus upon small class-sizes allowed the staff to interact with them on a more individual level. Providing a working environment in which mastery experiences could be undertaken and where effort was rewarded either financially or through verbal encouragement was also viewed as a key to success. Alongside this, the flexibility that the WISE structure gave staff on the 'frontline' also allowed for a more individual approach to be taken with the NEET participants. This produced what the participants viewed as 'outcome' benefits (i.e. increased confidence) that were viewed as more important than 'output' benefits (i.e. qualifications).

"But here they're drawn in to an environment where they know that the other kids haven't been here no one has been here before, and so they have got that fresh slate and they can try stuff that they have never done before and they can build up a little bit of that self-respect bank balance again." (P2)

"I think you are trying to treat them with respect from the start which I feel improves their self-worth. When I used to teach the kids for a year or so, I used to ask them 'what was the

thing that you hated most about school?', and they almost without exception said the way that the teachers spoke to them." (P9)

"The fact that we use names like [first name] *instead of* [surname] *makes it more like a work environment over a school environment. They are doing real work it is not pretend work and they are going out……I think that is a big thing for their confidence..."* (P11)

"I think all of us here make an effort that if any of the guys do something even reasonably well or even just give them a go, we make sure that we praise them and I think that that actually helps to develop their confidence because they realise 'I'm not useless and I actually do have ability'. So then they take pride in themselves." (P7)

Comparison Group (CG) Interview and Focus Group Data

Analysis of the transcripts from the interviews and focus groups gathered at the CG involved engaging with the five stages of CCM. During 'immersion', the researcher identified 53 discernibly different units of analysis from the data (e.g. 'profits' and 'mentor'). During 'categorisation', these 'units of analysis' were grouped into 16 'categories' and from these 16 categories five 'themes' emerged through a process of 'phenomenological reduction'. These five emergent 'themes' were subsequently interpreted by the researcher as: 'state contracting', 'stakeholders', 'NEETs', 'organisation' and 'the programme'. A diagrammatic illustration of this qualitative analysis process is provided for further clarification (see Figure 2).

[Insert Figure 2 here]

Theme A – State Contracting:

The owner and staff at the CG cited almost the same problems with state contracting as those at the WISE; namely performance evaluation, funding pressures, problems with provision criteria and short-term and constantly changing policy. Limited funding also meant that the young people could only be given limited amounts of time on the work-integration programmes, and the staff felt that this limited timescale restricted their ability to offer young people significant assistance. Finally, a

lack of trust from state funding bodies was also felt to be a hindrance to effective organisational performance because of the onus that it placed upon the CG staff to meet and evidence performance targets.

> *"And again whilst I'm not saying it would definitely be a cure, timescale is a factor in that as well. Somebody like that would need an awful lot more time being spent on them I think and we don't have that luxury. We are very time bound I think..."* (P17)

> *"I think it is our contract because we are expected to have X amount of people roll in every month but we only have a certain amount of capacity to keep them. So they expect the rollout as well. So if you start 10 one month then you expect 10 to go as well."* (P15)

> *"One of the big problems that we have to handle as a business is the short term-ism of it all really, in that you've only got a contract for a year and they talked a lot about giving indicative three-year contracts so you have got some idea of where you will be as long as you perform, but this never materialised and so every year for your money you have to renegotiate your contract."* (P13)

> *"The senior management think that they* [NEETs] *have got to come here every day, because ultimately if they are here every day then they will achieve earlier and we are a business so then you can get the next one in. But then there are learners who can't do that, so when you suggest that they are only going to do an hour and a half per day for six weeks……then that learner is going to be on the program as far as the books are concerned for three times the length of time and yet we only get the same amount of money* [as normal].*"* (P16)

Theme B – Stakeholders:

The owner and staff at the CG discussed the importance of stakeholder relationships and cooperation in delivering the intervention programmes. An area of significant frustration was related to the lack of buy-in of employers in both supporting work-integration organisations and in supporting government training and education schemes. Employers were also deemed to be overly focused on

maths and English skills, which is at odds with the qualifications that the young people are leaving school with.

> *"…we have worked very closely with Connexions and we do believe in working with people and networking. So I am the chairman of the* [regional] *network of training providers and we do try and share things and help each other and also to ensure that the pathways are smooth and clear."* (P13)

> *"The first thing that tends to happen with certainly employers is English and Maths and that is the first question that they ask. One of the jobs is to progress them onto something positive but without English and Maths or a vocation of any description then there is not a job that will take them on."* (P15)

> *"…they* [employers] *only participate in the national structure, the NVQ, almost as or on charitable basis…… they operate with a tiny overlap but there is no genuine commitment by companies to the government structure. It does ask questions of the government structure in terms of how relevant it is to business."* (P13)

Theme C – NEETs:

This theme was centred upon the perceptions of NEETs held by the owner and staff at the CG, both in terms of the backgrounds that the young people came from and their employability. These perceptions were related to the familial influences that the young person was subjected to at home, the diversity of the NEET cohort and the inherent social exclusion that most NEETs had suffered to varying degrees. All of these factors were seen to impact upon their employability negatively as they did not have the correct temperament, which ultimately led to either low expectations or unrealistic aspirations.

> *"Yes and its third-generation benefit families and that is what we are up against. Before we even get that academic ability or their individual need you have got to get past parents ringing up asking how long are they on the program for and will it affect my benefits? Not what is my child going to get out of this?"* (P18)

"We are expected to perform to a high degree in such a short space of time I think and as you can probably appreciate, these young people come to us with a whole load of problems that you have to surmount before you can even get them to a stage where they can actually learn." (P17)

"They are worried what people are thinking about them even though they are not seeing them face-to-face, in fact sometimes telephone skills are worse for people then interview skills……So it is confidence in many, many, different ways." (P19)

"It's quite scary actually how many come here and what their expectations of employment are… their perception of what they think they are going to be paid is usually on average about 10 grand [£10,000] *more than the job is going to pay them."* (P18)

Theme D – Organisation:

The participants at the CG talked about the organisation both in terms of its structure and its ethos. Whilst the organisation is a for-profit company the ethos was still very much centred on the social mission and helping people, even if this was tempered by a realisation of the need to make a profit and be financially viable. However, over time the pressure from funders meant that the social mission became less important. This was the same pressure that the WISE had been placed under, although the WISE seemed to have resisted the threat to their social mission more robustly. Additionally, whilst the CG is a for-profit company, profits are not drawn out of the business by the owners, but nor are they necessarily reinvested in a social mission. Indeed, they are held in reserve as security for the future of the company or used for infrastructure.

"When you join the company and the ethos was the learner and the journey and things like that, and progressively it has become more about finances and figures and achievements and all that kind of thing and I'm not that kind of person really." (P17)

"Well I think the simplistic answer to that is that we are changing people's lives……We passionately believe in the contribution that we can make to society and particularly in areas like [location] *by what we do and the opportunities that we give people."* (P13)

"I actually think that the company is really reactive rather than proactive. If something doesn't work then rather than try to anticipate that with simple measures in place to address the issue they let it run..." (P17)

"We don't take any profit out of the company……We have healthy reserves at the moment but we don't use them other than to invest in the business." (P13)

Theme E – The Programme:

The CG owner/staff talked about the programme structure and how it offered a supportive environment to the NEET participants. Like the interviewees at the WISE they saw this supportive environment as being essential to obtaining outcome benefits such as boosts in confidence. The high drop-out rates of NEETs was also discussed along with the induction policy, which was not open and assessed a NEET's suitability based upon an interview and their past experience. The allocation of a life-coach was seen as key to the supportive environment as it offered the NEETs one-to-one emotional support. The supportive environment was also coupled though with an expectation that the NEET young people take personal responsibility for their actions and lives. It was this along with developing structured career plans that the interviewees felt were essential in allowing them to achieve outcome benefits such as pride and increases in self-efficacy.

"Sometimes alarm bells would ring [at the induction interview] *and so we would just say we will ring you up. You know we have had learners come in and they have been to 10 other training providers. Well what is going on then if you're coming here to do the same program? So we ring up some of the other providers and find out why?"* (P14)

"...here it is part of the programme [having a life-coach] *and I think that some of them they don't like talking about it but actually they are the ones that benefit more. It is tailored so that if somebody needs more support then they see somebody more often..."* (P18)

"So we try and create an environment where people can develop their awareness of themselves, they can develop their self-esteem. They develop self-reliance where they become or they accept responsibility for the consequences of what they are doing." (P13)

"[The programme] shows them that if you come to a subject with the mindset that you can't do it then that is actually broken down quite effectively in my opinion. Once they have realised that they can then it sort of gives them self-confidence and then that self-confidence gives them the motivation..." (P17)

Discussion

Phase One

The overall results of the research support the conclusion reached by Denny *et al.* (2011) that an intervention methodology utilising a scale designed to measure GSE provides an appropriate measure of *outcome* in assessing an EEP. Analysis of the quantitative data revealed some surprising results with the null hypothesis being confirmed for both of the research hypotheses. In relation to the first hypothesis, for the NEETs that completed the 'Foundation Learning' programmes at both organisations there were statistically significant increases in GSE of +4.53% at the WISE ($p < .05$) and +3.75% at the CG ($p < .01$). When the changes in GSE scores for the NEET participants at both organisations were compared, no statistically significant difference was found. This suggests that there was no discernible difference in 'outcome' performance between the WISE and the CG in the area of GSE. This offers support to prior research that suggested that WISEs have a beneficial effect upon the unemployed individuals that engage with them in relation to 'outcomes' (Borzaga and Loss, 2006; Denny *et al.*, 2011) and also supports prior research that demonstrated the positive effect that work-integration programmes had upon GSE (Eden and Aviram, 1993; Meyers and Houssemand, 2010). However, it also suggests that such an effect is not confined to WISEs, but that it may also occur at for-profit organisations. This is interesting as it demonstrates that at least in relation to GSE the WISE case-study offered no 'added value' in the area of 'outcome' performance.

When testing the second hypothesis a very interesting result was also obtained from the data. Results revealed a statistically significant difference between the T1 GSE scores of the NEETs at the WISE

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and the CG ($p < .01$). The NEETs at the CG organisation had higher (+ 6.80%) GSE scores at T1 than those at the WISE. This, combined with the differences in highest educational achievement outlined by the Chi-squared analysis, suggests that the CG inducted less 'socially excluded' NEET individuals than the WISE. This implies that the induction process may be less open and more selective, hence leading to an induction of NEETs that are closer to and easier to reintegrate into employment. Whilst the NEETs at both case-study organisations can be categorised as 'complicated' NEETs with a 'here and now' mentality (Ball *et al.*, 1999) who were all at NVQ Level 2 or below, this result also offers support to prior research that suggests that the NEET cohort is heterogeneous, even at sub-group level (Yates and Payne, 2006). This difference in the NEETs inducted at both organisations also requires a re-evaluation of the results outlined for hypothesis one, as whilst the WISE was achieving similar 'outcome' performances to the CG it was doing so with a more 'socially excluded' NEET population. It could therefore be suggested that the added value offered by WISEs arises not through the more easily measured 'output' and 'outcome' performance, but due to their willingness to induct NEET individuals that are less employable, less academically able and more 'socially excluded' (Furlong, 2006).

Phase Two

In relation to the qualitative data gathered from the owners, managers and staff at the WISE and the CG, the data revealed the importance of stakeholder relationships. The WISE was a multi-stakeholder organisation, a finding that supports prior research that found that over two-thirds of UK social enterprises were multi-stakeholder (Campi *et al.*, 2006). Staff, clients and trustees were viewed as the most important stakeholders at the WISE, as securing their 'buy-in' to the social mission had the biggest impact upon programme delivery and this underlined the dual ownership structure operated by the WISE (Gui, 1991; Reid and Griffith, 2006). In addition to this the WISE was very proactive in staff training and development and saw this as a key area in maintaining or improving programme delivery performance. The use and development of this 'social capital' (Coleman, 1990; Putnam, 1993a) was viewed as key to securing successful 'outcome' benefits (McLoughlin *et al.*, 2009). However, external stakeholders (i.e. local authorities, employers, Police, Church) were also seen to affect programme delivery and performance, particularly if they didn't 'buy in' to the social mission. In particular a lack of 'trust' or 'engagement' from external stakeholders was viewed as a limiting factor in allowing optimal programme delivery to the NEET

participants. This caused problems in the decision-making process as the social entrepreneurs, managers and staff had to spend valuable time negotiating with these external stakeholders rather than focusing upon the social mission. The CG organisation also adopted a multi-stakeholder approach, although this was more limited than the relationships forged by the WISE, with the external stakeholders mainly consisting of local government and employers. This can be seen as representing more limited 'social capital' as the CG did not utilise the same breadth of stakeholders in pursuing its mission (Coleman, 1990; Putnam, 1993a). As with the WISE, staff training was seen as important, although the CG owner was the first to admit that this was an area that they could improve upon. Nevertheless, the staff still bought into the social mission that the owner of the CG articulated, although this wasn't quite as deeply embedded as at the WISE. This finding offers support to prior research that focused upon the difficulties of defining social enterprises through their ownership structure and mission as the for-profit CG did at least operate a form of dual ownership (Gui, 1991; Reid and Griffith, 2006).

The staff and owners/managers at the WISE were extremely positive about the impact of the organisational structure on the delivery of the work-integration programme and social mission. The dual ownership structure operated by the WISE (Gui, 1991; Reid and Griffith, 2006) in which the staff had input into the decision-making processes at a strategic and operational level allowed the staff to be more flexible and informal in programme delivery. This allowed the staff to focus upon what Campi *et* al. (2006) defined as the 'triple-bottom' line, and the staff acknowledged that knowing that the social mission was of paramount importance to the owners allowed them the self-belief to pursue social goals on the frontline, even at the expense of economic considerations. This allowed the WISE to resist the pressures placed upon it by state contracts more robustly than the CG, although the pressure to morph from a client-focused to funder-focused organisation was sometimes irresistible (Aiken, 2006). The CG case-study staff and owner talked about how the organisational structure that was in place was there to allow the fulfilment of the CG's economic *and* social goals. Indeed, the company ethos was centred to a degree upon a social mission of 'helping people', although this was tempered by the acknowledgement that the core aim was to make a profit. The pressure to balance social, environmental and economic goals as part of a triple-bottom line is a feature of social enterprises and indeed the CG did have social, economic and socio-political aims (Campi *et al.*, 2006). There was an important difference between the CG and the WISE in how they responded to the pressure on their social missions that came from state contracting. Performance

evaluation in these contracts and the perceived rigidity of what was to be delivered in order to fulfil them was viewed by the CG staff and owner to be a hindrance upon performance. The need to meet targets in order to secure funding and remain financially viable meant that 'mission drift' occurred in relation to the social goals of the organisation (Aiken, 2006; Seddon *et al.*, 2012). In relation to profit distribution the CG neither withdrew profits from the business nor invested in anything other than infrastructure, preferring to instead leave the money in reserve in order to secure the company's long-term future.

In relation to the work-integration programmes that were delivered, the interviewees at the WISE saw the supportive and structured environment as key to the success that they had in assisting NEET individuals. This support was offered mainly through the use of mentors that acted as role-models and advisors to the young people, and also via small class-sizes that allowed more one-to-one interaction. The staff members stated that it was important in developing the NEETs to set the young people goals that they could achieve individually and as part of groups, and that they often offered encouragement to the young people as they progressed. This was interpreted as being the mastery experiences, verbal persuasion and vicarious experience that is crucial in the development of self-efficacy (Chen *et al.*, 2001). Additionally, the staff talked about the increases in individuals' confidence, motivation and self-belief that they witnessed as the young people progressed through the course. Again, this was interpreted as increases in GSE as confidence, motivation and self-belief are the core components of GSE (Judge *et al.*, 1997). The WISE staff viewed such 'outcome' benefits (McLoughlin *et al.*, 2009) as being more important than the 'output' benefits (such as qualifications) that policy-makers and local government contracts were perceived to be focused upon. They felt that often the pressures of having to meet these 'output' criteria meant that their ability to deliver 'outcome' benefits to the NEETs was compromised, leading to inevitable 'mission drift' (Aiken, 2006). The staff and the owner at the CG case-study also discussed the importance of providing a supportive environment within their programme. As with the staff, owners and managers at the WISE they saw this as being key to obtaining 'outcome' benefits such as increases in confidence, motivation and self-belief (GSE) (Judge *et al.*, 1997). The allocation to each individual of a life-coach was seen as important in developing trust with the NEETs, as was offering them a structured programme that had to be adhered to. This structure consisted of giving the young people clearer and more structured career aspirations and plans and helped give the young people a definitive and positive perception of their future (Ball *et al.*, 1999). The key difference between the

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programmes delivered by the WISE and the CG however, was in relation to the induction policy. The induction policy at the CG was not open and instead relied on the young people attending an interview during which it was decided whether they were suitable for the programme. The decisions at these interviews were made based upon the young person's past experience and their attitude at the interview. Whilst there was no rigid entry criteria set this process did allow the CG to perhaps filter out the NEETs that were not suitable for the programme or the organisation, and this offers a possible explanation for the higher levels of GSE at T1 of the NEETs at the CG.

In relation to the NEET individuals, the owners, managers and staff at the WISE and the CG articulated similar perceptions of the origins of NEET status. The role of the young person's home environment and their familial background were seen as particularly important. Educational experience was also seen as a very important factor that the interviewees perceived as being linked to NEET status, with low academic achievement and exclusion from school being seen as a barrier to employment and further education. The interviewees also acknowledged the heterogeneous nature of the NEET cohort (Yates and Payne, 2006) and talked about how the recent recession had increased this heterogeneity with less 'socially excluded' individuals now becoming NEET. The negative impact of 'social exclusion' upon NEET young people's self-perceptions was also discussed by the interviewees, who felt that the influences and experiences outlined above negatively impacted upon the confidence, motivation, self-belief of young people who become NEET. This was interpreted as being a negative impact upon GSE (Judge *et al.*, 1997), due to negative past experiences (Gist and Mitchell, 1992). The staff at the WISE also acknowledged that the organisation's open-access induction policy meant that they had to achieve the same results as other work-integration organisations but with a more 'socially excluded' NEET cohort. This was seen as a key part of the social mission but highlights the added pressure that social enterprises are under when trying to fulfil public sector contract commitments (Aiken, 2006). The more robust nature of the social mission at the WISE was one of the key organisational differences between the two case-studies.

Summary

The findings of this ongoing research support the prior research of Denny *et al.* (2011) in confirming the use of GSE scales as providing a robust, viable and effective measure of 'outcome' benefits resulting from engagement in EEPs. The quantitative analysis of 'outcome' performance at the two

organisations showed that both the WISE and the CG had a positive impact on the GSE levels of their NEET participants. Crucially, the GSE data revealed no significant differences in the 'outcome' performance of the WISE and for-profit CG. However, the quantitative data did reveal that the NEETs at the WISE had significantly lower GSE levels at T1 than their counterparts at the CG. The interview data revealed that this was due to the differing induction policies operated by both organisations, with the WISE operating an open-access induction process. Additionally, the interview data also revealed that whilst the social missions at both organisations were restricted by the pressures of state contracting, the WISE was able to resist such 'mission drift' (Aiken, 2006) more robustly than the CG. The results of this research therefore suggest that the 'added value' offered by WISEs that deliver EEPs to NEETs may not be measurable in 'outcome' data, but rather may be related to their willingness to take on more 'socially excluded' individuals (Payne 2002; Yates & Payne, 2006) and in their ability to better resist the 'mission drift' pressures inherent in state contracting (Aiken, 2006). Nevertheless, more research is required before the above conclusions can be asserted with any degree of confidence due to the small sample-size of NEETs and organisations involved in this research.

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