

# The WISE's success factors from a multidimensional and multi-stakeholder perspective. An explorative study in the Swiss context

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## Abstract

**Background:** Work integration social enterprises (WISEs) are a specific category of social enterprises that pursue the objective of reintegrating disadvantaged people into the labour market. There has been so far no research project that simultaneously investigated the economic and the social success factors of WISEs. Furthermore, whereas scientific research has paid attention to the economic success, very little is currently known about the social success factors.

**Aim:** The purpose of this explorative study is to help identifying a series of factors enhancing the social success (either work integration, improved employability and/or poverty reduction of the target-group), as well as the economic success of WISEs.

**Methods:** A mix of quantitative and qualitative methods have been used. The findings represent a summary of the point of view of the three main stakeholders of WISEs: the members of their strategic and director board, the beneficiaries (i.e. the disadvantaged workers) and the public bodies.

**Results:** No less than 30 success factors have been identified: 6 success factors are mainly linked with the economic performance, 12 factors with the social performance and 12 to both dimensions. Despite its explorative nature, this study represents a valuable basis for future research and discussions regarding the impacts of WISEs and their success factors.

# 1 Introduction

## 1.1 The Work Integration Social Enterprise model (WISE)

All over Europe, organisations that can be defined as social enterprises have grown into an increasingly important entrepreneurial dynamic over the past few decades (Borzaga & Galera 2016). Social enterprises include a wide range of initiatives, generally private and primarily driven by social aims, that actually address social or societal challenges. These organizations are dedicated to the fulfilment of a mission that is fundamentally different from the regular major goal of conventional firms, i.e. the maximization of profits in the interest of the owners/shareholders (Defourny & Nyssens 2016). By the term “social enterprise” reference is thus made to an “organization that pursues objectives of general interest, community interest or social benefit through the performance of an entrepreneurial activity involving the use of business logics and methods” (Fici 2015).

According to Laville and Nyssens (2001), a multiplicity of objectives is embedded into the nature of social enterprises. In particular, they point out that a social enterprise typically pursues at least three kinds of goals: social objectives (activities that benefit specific groups of people in need), economic objectives (linked to the financial sustainability of the business in the medium-long term) and socio-political objectives (benefits for the society as a whole as for example the reduction of poverty and marginalization).

Work integration social enterprises (WISEs) are a particular category of social enterprises that pursue the objective of reintegrating disadvantaged people into the labour market. In doing that, WISEs operate “at the crossroads of market, public policies and civil society” (Nyssens 2006). This hybrid character also emerged in a study conducted by Campi et al. (2006) on a sample of 158 European WISEs. In fact, the majority of the organisations simultaneously pursued two main objectives: the production of goods and services to be sold on the market and the social and professional integration of disadvantaged people. These two goals can be easily framed into the three categories proposed by Laville and Nyssens (2001) as an economic objective and a social objective respectively, which in turn generate positive outcomes that are useful to pursue socio-political objectives.

A wide range of initiatives and models of WISE have developed across Europe. The main differentiation criteria identified in the literature are the following (Davister et al. 2003): the mode and integration goal, the “status” and remuneration paid to the disadvantaged workers, the type of vocational training (on-the-job and/or off-the-job training), the category of disadvantaged people (handicapped people and/or people with other kind of disadvantage), and the mix of economic resources. In spite of the heterogeneity observed in the field, Davister and colleagues (2003) proposed a typology including 4 models of WISE with the following characteristics:

- WISEs offering integration opportunities supported by permanent subsidies, in particular for disabled people. The employment contracts are of indefinite duration and the WISE provides workers with on-the-job training.
- WISE’s offering self-financed job opportunities of indefinite duration. Some organizations only propose on-the-job training, while others aim at providing people with formal qualifications. The pressure on productivity is strong since the commercial resources are very important for the economic viability of the enterprise.
- WISEs aiming at the socialization of handicapped people or other severely disadvantaged people through a productive activity. Work has above all an occupational goal. The WISE offers on-the-job training and volunteering plays an important role.
- WISEs offering a transition job or an apprenticeship for young and long-term unemployed people. The employment or apprenticeship contracts are of definite duration, because the ultimate goal consists in favouring a transition towards the ordinary labour market.

## 1.2 The WISE’s landscape in Switzerland<sup>1</sup>

The origins of Swiss WISEs are rooted within three distinct social security regimes, i.e. disability insurance, unemployment insurance and social assistance.

In the late 1950s, the federal law on invalidity insurance was introduced. Consequently, sheltered workshops for disabled people, mainly promoted by not-for-profit organisations, were recognized and financed through

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<sup>1</sup> This chapter summarizes the results of a recent nationwide survey conducted by our research team (Adam et al. 2016b).

federal and cantonal funds. During the 1980s, work and social integration projects, stemming from the initiative of municipalities and not-for-profit organisations, started to provide occupations for the low-qualified and long-term unemployed, as well as marginalised people. These initiatives multiplied and were extended to other target groups during the 1990s, when Switzerland faced a strong increase in the unemployment rate and increasing financial problems for social insurance and social assistance schemes. The unemployment insurance, as well as other social security schemes, were thus revised according to activation principles.

In this complex institutional context, several experiences of social entrepreneurship, mainly launched by general interest organizations, have seen the light in order to respond in an innovative way to the rising exclusion. Contrary to classical non-profit work integration organizations, the SE model is characterized by a stronger market orientation, a higher economic risk and the will to provide disadvantaged workers with a real work experience. Therefore, the “typical” institutional trajectory of SE consisted in what Defourny and Nyssens (2016) describe as a move of general interest organisations (hitherto relying mainly on non-market income, if not fully subsidized by public authorities) towards more market-oriented activities with the possible adoption of more business-like methods, resulting in the so-called entrepreneurial not-for-profit model of SE. However, while many European countries have adopted specific laws for SEs or adapted their ordinary legislation (Fici 2015), in Switzerland there is currently neither specific legal forms nor specific legal frameworks conceived for SEs.

The lack of a specific legal framework, the federalism and the multiplicity of widely differing models that have taken root in Switzerland’s three principal language regions, have tended to reduce the visibility and the understanding of these institutions, and they also have represented a serious challenge for their empirical identification (Crivelli, Bracci & Avilés 2012). Drawing on survey data collected by Adam et al. (2016b), the number of Swiss WISEs can be estimated in a range between 495 and 521, the total number of beneficiaries<sup>2</sup> lies between 51,243 and 53,934, whereas the number of regular employees<sup>3</sup> between 12,169 and 12,807 full-time equivalents<sup>4</sup>.

The historical origins, the administrative category of the beneficiaries and the different sources of public funding have largely determined the emergence and the organization of WISEs, giving rise to multiple SE models. In the following lines, we describe their main features.

The vast majority of WISEs adopt the legal form of an association or a foundation. Contrary to other European countries, the social cooperative model is rarely present and the same applies to companies and public sector legal forms. Unless few exceptions, WISEs have to comply with a partial or full dividend distribution ban. Nearly a quarter of these WISEs have to refund all surplus to the funding bodies and can thus be considered as “zero-profit” organizations.

With reference to the target group(s), around 40% of WISEs exclusively work either with beneficiaries from the invalidity insurance or with social assistance recipients only. However, most WISEs do not address a single target group, but instead a mix of beneficiaries and therefore receive financing from several public bodies.

The majority of WISEs only working with invalidity insurance beneficiaries mainly offers long-term jobs. On the contrary, in WISEs which either exclusively host social assistance recipients, or both unemployment insurance beneficiaries and social assistance recipients, the aim of a rapid return to the mainstream labour market is clearly more dominant than the goal of long-term integration in the organization. However, as a consequence of the mixed target-groups, in almost half of the cases both kinds of goals apply to a significant share of beneficiaries.

Concerning the remuneration paid to the disadvantaged workers, the wage models closest to a conventional work environment are not widespread. When no regular contract is provided, nor a real wage is paid, the inclusion of the beneficiaries in the WISE is done through a public activation program (in this case at most a modest amount of money is granted in addition to the pension or the daily allowance coming from social security). The latter is the usual condition of unemployed people and the most common for social assistance recipients.

Finally, Swiss WISEs act in a variety of economic sectors and entertain different kinds of relationships with the market and for-profit enterprises. Indeed, a complete or partial noncompetition clause often applies to WISEs.

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<sup>2</sup> With the term “beneficiaries” (or “users”) we identify throughout this article the target-group of WISEs, i.e. their disadvantaged workers.

<sup>3</sup> With the term (regular) “employees” we refer to the staff in charge of the supervision and the support of the target group.

<sup>4</sup> As pointed out by the authors, if one assumes the existence of a selection bias in the survey participation, this would lead to more conservative estimates.

## 1.3 Research objectives

The Swiss SE sector is rather young. Its visibility, and recognition for the sector, is still ambiguous and the debates surrounding its usefulness and legitimacy are sometimes heated. The “WISE model(s)” has certainly the potential of being an innovative and effective player in fighting against poverty and social exclusion. However, the evidence concerning the impacts of SEs is very scarce. Moreover, little is known about the conditions enabling WISEs to make a real difference in the lives of the disadvantaged workers.

Therefore, the purpose of this explorative study<sup>5</sup> is to help identifying a series of factors enhancing the success of a WISE. Since WISEs have different target-groups and consequently different “social” objectives, we consider as “**social success**”:

- (a) The (re)integration of disadvantaged people into the conventional labour market (work integration).
- (b) The improved employability of disadvantaged people thanks to a long-term integration into a WISE<sup>6</sup>.
- (c) The reduction (and prevention) of poverty among the beneficiaries. We adopt here a multi-dimensional definition of poverty and well-being, since we do not consider only the financial situation, but extend the analysis to a wide spectrum of domains, including social inclusion, psychological well-being and education<sup>7</sup>.

In order to deal with the hybrid and complex nature of WISEs, we adopted a multi-dimensional and multi-perspective approach to the analysis of “success”, that takes into account the entrepreneurial character of these organizations, their tight relations with public bodies and their social mission. In particular, the study aims at answering the following questions:

- Which success factors could be identified from the perspectives of the following stakeholders: WISEs, beneficiaries and public bodies?
- Which are the relationships between different success factors and how can they jointly contribute to the (re)integration of disadvantaged people into the conventional labour market and/or into the society as a whole?

Since the pursuit of the social mission is closely dependent on the “**economic success**” of a WISE, the factors contributing to its financial performance and stability are also included in the scope of the analysis.

## 2 State of the art and conceptual framework

### 2.1 State of the art concerning the identification of WISE’s success factors

Despite the fact that research on SE has gained growing attention since the first seminal works published at the beginning of the 2000s (Borzaga & Defourny 2001), specific evidence on critical success factors of WISEs is still scarce (Arena, Azzone & Bengo 2015).

A critical review of the literature allowed us to identify two main lines of investigation:

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<sup>5</sup> The reader will find a full detailed report of this study in Adam et al. (2016a). The study was carried out as part of the “National Programme Against Poverty” and was conducted by the University of Applied Sciences and Arts Northwestern Switzerland (FHNW), the Swiss Distance University of Applied Sciences (FFHS) and the University of Applied Sciences and Arts of Southern Switzerland (SUPSI).

<sup>6</sup> In a seminal work, Ledrut gave the following general definition of employability: “the objective expectation, or more or less high probability, that a person looking for a job can have of finding one” (Ledrut 1966).

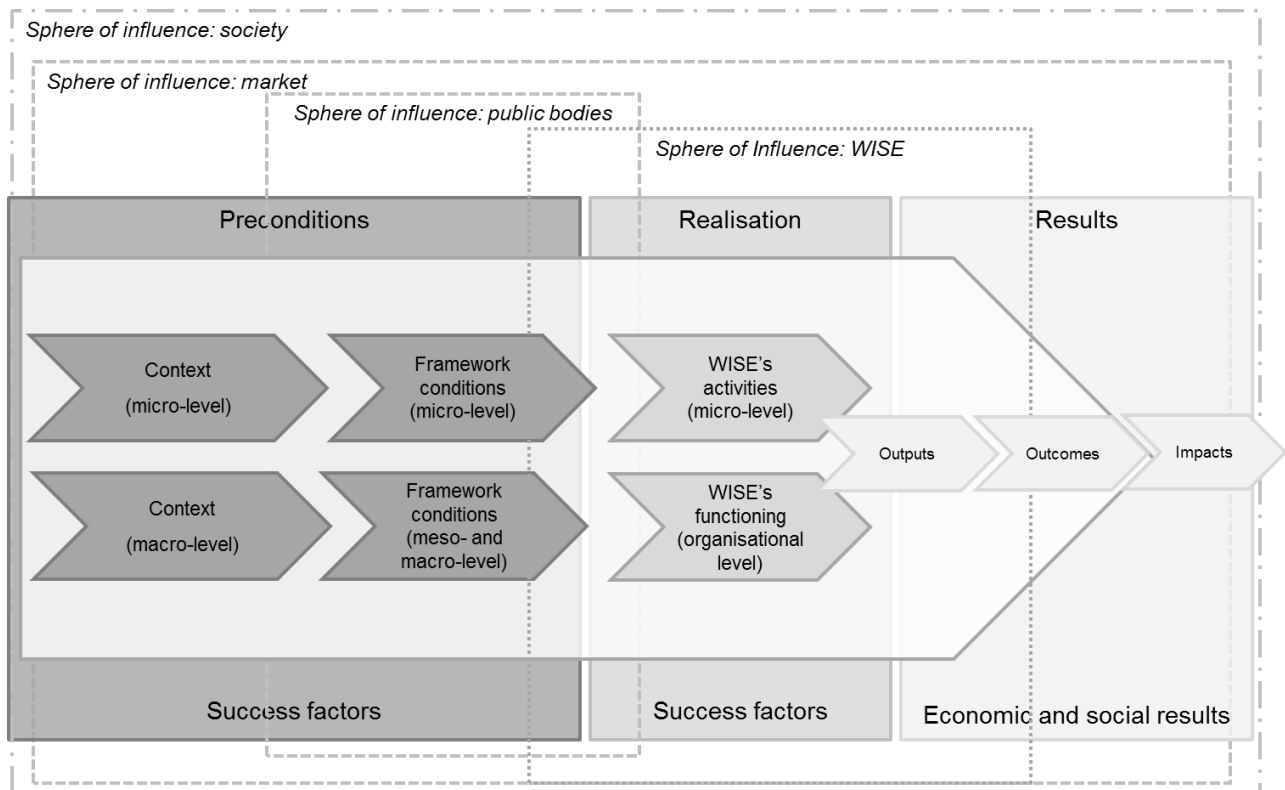
<sup>7</sup> In the literature, a distinction is made between resources-based approaches to poverty, focusing mainly on income and material well-being, and broader concepts of poverty, such as the livelihood and capability approach (Schuwey & Knöpfel 2014). While *resources-based approaches* refer to a household as an “economic consumption community”, the view of the *livelihood approach* considers several, mutually influencing spheres of life (such as work, education, health, housing, citizenship, and opportunities for participation in social, cultural and political life) in order to address and combat poverty. For its part, the *capability approach* understands poverty as a scarcity of chances for self-fulfillment. This means that those concerned with poverty do not have sufficient capabilities for a good life, and, therefore, are restricted in their access to education, health, housing, and work.

- 1 **Business research.** Studies dealing with business success factors of WISEs are linked to numerous studies on the performance of traditional companies (Bygrave 1993; Dacin, Dacin & Tracey 2011; Thompson & Strickland 1993). For this reason, most of these studies focus on success factors ensuring the survival of a company in the long term (Hisrich et al. 1997; Jacobsen 2003; Rotheroe & Richards 2007). Jacobsen, for example, has identified, on the one side, a series of personal success factors, namely gender (women are more successful founders of start-ups with a high probability of survival), personality traits (risk taking attitude) and human capital (vocational experience). On the other side, her study highlights some "structural" success factors, such as strategic planning, business modeling, and a solid financial basis, that are relevant for the survival of the organisation (Jacobsen 2003).
- 2 **Case studies.** A second body of literature derives relevant success factors from qualitative case studies. For example, Wronka (2013) identified eight critical success factors of WISEs: professional management, management of the relationships with other relevant organizations, planning of economic and social targets, innovative products and services, business planning, marketing concept, impact proof, and risk management. Here as well, the focus is rather on the economic perspective. It is striking that evidence is very thin with regard to the WISEs' potential role for poverty prevention and reduction. The latter includes, above all, the contribution of Perez de Mendiguren Castresana (2013). According to him, WISEs have a limited impact on poverty reduction. He identifies, in particular, the double-bottom line of WISEs' as the "failure factor", because it would be unrealistic to believe that social *and* economic goals can be similarly achieved.

This review shows that: (a) there has been so far no research project that simultaneously investigated the economic and the social success factors of WISEs; (b) whereas scientific research has paid attention to the economic success, very little is currently known about the social success factors, in particular the role WISEs can play for poverty reduction and prevention in the context of the European welfare states.

## 2.2 Modelling WISEs success factors

Figure 1: Analytical impact model



In the following lines we describe the impact model that we have used for the investigation and the classification of the economic and social success factors of WISEs. We have used proposals coming from the field of the

social sciences literature on impact evaluation, in order to develop an analytical impact model (*Figure 1*)<sup>8</sup>. The model has been derived from the "program tree" proposed by Beywl and Niestroj (2009) and considers the terminology suggested by Uebelhart and Zängl for their social impact model (2013). The model's terminology has to be understood as described in *Table 1*.

**Table 1: Impact model terminology**

TERM	MEANING	EXAMPLE(s)
<b>Preconditions</b>		
Context (micro-level)	Individual characteristics of the beneficiaries that have a direct or indirect effect on the outcomes and impacts. Some factors cannot be directly influenced by the WISE (e.g. age), while others can (e.g. motivation)	Physical disability, age, residency permit, gender, motivation
Context (macro-level)	Societal context factors that cannot be directly influenced by the WISE but have a direct or indirect effect on their outcomes and impacts	Political context, labour market situation
Framework conditions (micro-level)	Legal setting and "case-level" cooperation between actors (public bodies, WISEs and beneficiaries).	Selection process and matching between beneficiaries and WISEs
Framework conditions (meso- and macro-level)	Legal setting, regulations and institutional cooperation between actors (public bodies, WISEs and other stakeholders)	Non-competition clause
<b>Realisation</b>		
WISE's activities (micro-level)	Working activities and supporting services provided by the WISE to their beneficiaries	Job coaching, guidance at the workplace
WISE's functioning (organisational level)	Organisational structure, leadership, strategy, management	Professional leadership, quality management and accounting standards
<b>Economic and social results</b>		
Outputs	Performance indicators of the WISE's activities and services	Annual turnover, number of disadvantaged employees, hours of vocational training
Outcomes	Changes in the beneficiaries' living conditions	Integration into mainstream labour market, improved employability, increased well-being
Impacts	Indirect effects of WISEs' activities on the labour market, public budget and the society as a whole (this dimension goes beyond the scope of our analysis but it is depicted in the model for the sake of completeness)	Increased employment rate in the community, reduction of welfare expenses

*Figure 1* illustrates our impact model. The success factors of WISEs can be placed either at the micro-level (e.g. beneficiaries' background and profile, attitudes and behaviours, "case-level" cooperation between actors) or at the meso- and macro- levels (e.g. organisational structure and management of the SE, regulations and relations between institutions, socio-economic context). In addition, while some success factors belong to the WISE's direct sphere of influence, others are rather placed in the socio-economic context and the "framework conditions" spheres and are thus more difficult to be controlled by the SE (the influence of WISEs, if any, is here less pronounced). Following the "causal chain", the combined action of the success factors influences

<sup>8</sup> In the field of social sciences the term "success factor" is hardly used; more common are terms such as "components" or "effect factors" (Gajo 2014, Haunberger & Baumgartner 2017). The social sciences literature on impact evaluation rather draws on visual representations of complex coherences in form of models such as the logic model (Wholey 1979) and the social impact (measurement) model (McLoughlin et al. 2009, Uebelhart & Zängl 2013). However, none of these theoretical models has been so far applied to the analysis of WISE's success factors.

the (economic and social) outputs, outcomes and impacts of the WISE. Although the model is represented like a linear chain, in the real world there is a complex interplay between different spheres and success factors, including the existence of “loops” and of some degree of circularity.

## 3 Methodology

Apart from choosing a multidimensional definition of success (including both the economic and the social goals), we also adopted a multi-stakeholder approach, in order to consider the opinion of all the main actors involved (i.e. the WISEs' board and managers, the beneficiaries and the public bodies).

For the analysis of the entrepreneurial and financial success factors from the WISE's perspective, we have taken as starting point a combination of the existing theoretical knowledge (cfr. chapter 2.1) and empirical data coming from a series of preliminary interviews conducted with WISEs' managers. Consequently, the application of a mix of deductive and inductive approaches was thought to be helpful in order to find out to what extent the previous understandings of success were actually confirmed in the Swiss SE context. On the contrary, such prerequisites were not given for the analysis of both the beneficiaries' and the public bodies' perspectives. Therefore, in this case a purely explorative and inductive research strategy appeared to be the best choice.

### 3.1 Choice of the symbolic interactionism as paradigm for the identification of success factors

The existence of different prerequisites and “starting points” has represented a challenge from a methodological point of view. Furthermore, according to Kelle and Kluge (1999), the terms “factor” or “success factor” are open and rather vague concepts, whose understanding can be specified only through an empirical procedure.

In order to deal with these issues, we have decided to draw on the theoretical and methodological principles of symbolic interactionism (Blumer 1940, Blumer 1954, Blumer 1969, Kelle & Kluge 1999), whose foundations are based on the following epistemological beliefs:

- **Vagueness of concepts.** Blumer (1940) does not see in “vague terms” a problem in the construction of concepts, that should be solved through a definition effort. The problem is rather that the clarification of concepts requires knowledge of a context where actors give a specific meaning to a concept (Kelle & Kluge 1999). Thus, researchers do not need definitive nor precisely operationalized concepts but rather vague concepts, that sensitize them to perceive the social meanings in concrete fields of action (ibid.). These “sensitizing concepts” (Blumer 1954) can only be sharpened in the empirical social world, and not in advance (Kelle & Kluge 1999).
- **Different forms of previous knowledge as the prerequisite for the development of new knowledge.** According to Kelle and Kluge (1999), the development of new concepts derived from the empirical world implies a kind of mix of both previous theoretical knowledge and new empirical material. The different knowledge levels represent the prerequisite for the generation of a new form of empirically-based theoretical knowledge.

From a methodological point of view, the techniques of the symbolic interactionism we have used for the identification of the WISEs' success factors are the following (details on the techniques adopted for each single perspective will be described in chapter 3.2):

- 1 **Combination of different sampling methods.** Symbolic interactionism allows for the combination of both quantitative and qualitative methods. Whereas the former usually adopt probabilistic sampling procedures, the latter focus on qualitative sampling, highlighting the importance of the theoretical relevance of each “sampled unit” for the understanding of the vague concept under study.
- 2 **Mixed techniques of encoding and analysis.** Whereas quantitative data were encoded and examined by means of statistical methods, qualitative data were elaborated through coding techniques such as “subsumption” (i.e. the allocation of a statement to an already existing category) and “abduction” (i.e. the construction of a new category from the data).
- 3 **Identification of success factors.** The main achievement of the method consists in the development of a limited number categories out of the complexity of the empirical data. This supports the

identification of relevant success factors and the understanding of their interdependence (Kelle & Kluge 1999).

- 4 **Identification of connections between success factors.** Finally, the links and interactions among some of the identified success factors have been analysed and visualised by means of model-shaped representations (see an example in chapter 5.2).

## 3.2 Research design

In accordance with the methodology described above, various methodological approaches have been chosen in order to investigate the different stakeholder's perspectives (WISEs, beneficiaries and public bodies).

### *WISEs' perspective*

The analysis of WISEs' perspective has been divided into two parts: a strategic and organisational perspective, and a financial perspective.

For the purpose of identifying the most important success factors, a multi-stage process has been applied. Firstly, according to a series of specific criteria, i.e. language area, target group(s), amount of market revenues, and legal form, we selected a sample of 18 WISEs for an in-depth analysis (10 from the German-speaking part of Switzerland, 4 from the French-speaking part, and 4 from the Italian-speaking area). For each organisation a series of semi-structured interviews - involving at least one member of the strategic board and one member of the directors' board - has been conducted. In a second stage, 17 hypothetical success factors have been extrapolated from a qualitative analysis of the interviews. These factors have further been refined through a literature review. Finally, the importance of the 17 success factors has been investigated through a Computer-Assisted Web Interview procedure (CAWI), consisting in the electronic administration of a standardised questionnaire to the general directors of each selected organisation.

The financial perspective analysis is based on financial data for the same 18 WISEs. The data collection included the revised annual financial statements of 2011 and 2012. In order to ensure a uniform dataset, a collection was required of supplementary information on the financial statements. We did calculate balance sheet and income statement ratios. In a next step, the sampled organisations were examined more in depth by means of further documents and interviews with chief financial officers, in order to find out uniform patterns.

The analysis made it possible to identify so-called internal success factors, which can be directly controlled by the WISE.

### *Beneficiaries' perspective*

In order to achieve a sufficiently balanced sample, a criteria-based sampling strategy has been used for the selection of the interviewees. Following Ritchie and Lewis (2003), the selection of "typical cases" has played a crucial role here. The interviewees have been identified with the support of 10 out of the 18 surveyed WISEs, that are representative of all language areas and public bodies. The organisations were invited to identify a limited number of their beneficiaries according to a series of socio-demographic criteria and to ask them for an anonymous and voluntary participation in the study. In total, 27 beneficiaries were interviewed, 16 from the German-speaking part of Switzerland, 7 from the French-speaking area and 4 from the Italian-speaking region. Thirteen persons were dependent on social assistance, 9 received unemployment benefits and 5 were entitled to disability insurance benefits. Each interview has been conducted by a single researcher. The discussions were tape-recorded and the data were evaluated using a code list, which has been developed on the base of three pilot interviews. Finally, the results were consolidated and summarized in a reduced number of superior categories.

### *Public bodies' perspective*

An exploratory qualitative approach has been preferred also for the investigation of the public bodies' perspective. The sample of public actors has been selected with the aim of guaranteeing a sufficient degree of "representativeness" with respect to the social security regimes involved and to the three main linguistic areas of the country. Indeed, 12 directors and executives have been interviewed: 4 of unemployment insurance offices, 3 of disability insurance offices and 5 of the social assistance offices. Six interviews have been performed in the German-speaking area, 5 in the French-speaking area, and 1 in the Italian-speaking Canton of Ticino. The interviews have been conducted using mainly narrative-generating questions, a particularly



useful tool when previous theoretical or empirical knowledge is not available (Liebold & Trinczek 2009). Each interview has been conducted by two researchers, who have tape-recorded the discussion and analysed the data by means of the subsumption and abduction techniques (Kelle & Kluge 1999).

## 4 Results

In this section, we present the results of our empirical investigation: the identified success factors are classified according to the different spheres and levels of the impact model (see chapter 2.2). In addition, we tried, although not in a systematic way, to make links with *other* existing theories, frameworks and models, as a way of grounding our findings in a greater body of knowledge (this should add to the validity and relevance of our empirical findings).

### 4.1 Success Factors from the WISE's perspective

From the point of view of WISE's, we considered two categories of success factors: the first ones pertaining to strategic management and organisation, while the second ones are related to financial management.

#### 4.1.1 Strategic and organisational success factors

The questionnaire administered to the WISEs' general directors was composed of 30 questions designed to understand the perceived importance assigned to the 17 potential success factors<sup>9</sup> directly derived from the in-depth interviews and to explore the different behavioural patterns adopted by WISEs. The results of the survey are summarized in *Table 2*.

In the following of this chapter, we present the success factors that emerged from the survey. With the purpose of establishing their actual relevance, we decided to consider as success factors only the ones that received an evaluation equal or above 7 (out of 10) from at least 50% of the interviewed organisations.

##### 4.1.1.1 Framework conditions success factors at the micro-level

During the selection processes of new beneficiaries, WISEs cooperate with public offices. In this field, *A sufficient degree of decision-making autonomy during the selection process of new beneficiaries* has been judged as a success factor by 67% of organisations. From the survey emerged that the majority of WISEs hire users on a consensual basis, i.e. after that an agreement between all the actors involved has been reached. In no case the "hiring" decision is taken only by the public authorities and only in few cases exclusively by the WISE.

More in general, 78% of WISEs consider the *Cooperation with public authorities* as a success factor (12 organisations assigned to this element a score of 9 or 10). We asked the respondents to specify their meaning for *cooperation* but unfortunately only in one case we obtained an answer, stressing the importance of cooperating with public authorities in order to develop support measures customized on the beneficiaries' needs.

##### 4.1.1.2 Framework conditions success factors at the meso- and macro-level

Beyond the importance of establishing an effective cooperation at the case-level, WISEs have also to negotiate the definition of clear and explicit goals with the public funding authorities (these are often included into a so-called "service agreement"). The factor *Definition of objectives between WISEs and their financing authorities*

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<sup>9</sup> To assess the importance of each success factor, we asked the interviewees to evaluate them using a scale from 1 to 10, where 1 means that the factor is judged as not at all important for the success of the organisation while 10 means that the factor is fundamental.

has been judged important by 50% of WISEs (33% of interviewees assigned to this factor a score of 9 or 10), despite the fact that 63% of the organisations declared not to be constrained by their funding authorities to pursue any specific goal. In most cases, the only authorities requiring the achievement of specific goals in order to benefit from their subsidies, are the cantonal disability offices.

**Table 2: Hypotheses of success factors from the WISE’s perspective (strategic management and organisation), listed according to the perceived importance**

Ranking	Hypotheses of success factors	Evaluations ≥ 7
1 <sup>st</sup>	Soft skills owned by employees <sup>10</sup> (personal, social and methodological competences)	89%
2 <sup>nd</sup>	Hard skills owned by employees (job-related competences)	83%
3 <sup>rd</sup>	Cooperation with public authorities	78%
4 <sup>th</sup>	Services offered to beneficiaries as a support to their work activity	78%
5 <sup>th</sup>	Pursuing a diversification strategy in the selection of the business areas and the economic sectors in which to operate	72%
6 <sup>th</sup>	Skills owned by members of the strategic board and members of the directors’ board	72%
7 <sup>th</sup>	A sufficient degree of decision-making autonomy during the selection process of new beneficiaries	67%
8 <sup>th</sup>	The variety of transitional measures available for the beneficiaries	67%
9 <sup>th</sup>	Application of quality, accounting or governance standards	61%
10 <sup>th</sup>	Procedures to determine the need of transitional measures to enhance beneficiaries’ employability	56%
11 <sup>th</sup>	Remuneration policies for beneficiaries that take into account their (reduced) productivity	56%
12 <sup>th</sup>	Definition of objectives between WISEs and their financing authorities	50%
13 <sup>th</sup>	Granting monetary or non-monetary incentives to employees beyond the usual remuneration	50%
14 <sup>th</sup>	Definition of target customers	50%
15 <sup>th</sup>	Pursue of a focalization strategy in the selection of the business areas and the economic sectors in which to operate	44%
16 <sup>th</sup>	Granting monetary or non-monetary incentives to beneficiaries beyond the usual remuneration	44%
17 <sup>th</sup>	Participation of beneficiaries to the life and the decision processes of the organization	33%

#### 4.1.1.3 WISE’s activities success factors at the micro-level

With the purpose of favouring the integration of the beneficiaries into the conventional labour market and into the society as a whole, WISEs often combine the offer of workplaces with a series of social, psychological and educational support services. The *Services offered to users as a support to their work activity* revealed to be a highly relevant factor for the success of a WISE (78% of organisations evaluated it with a score equal or above 7). In particular, the majority of WISEs declared to offer at least two of the following support services: (a) coaching and support for the reintegration into the regular labour market; (b) training opportunities; (c) psychosocial, pedagogical or therapeutic counselling. In general, we observed a clear trend toward the

<sup>10</sup> With the term “employees” we refer to the “regular staff” in charge of the supervision and the support of the target group.

extension of the variety of this services (e.g. housing solutions, food services or leisure facilities), following the principle that, the broader the variety of support services, the more successful the empowerment of the users.

In addition to offering support services within the organisation, WISEs must also take into account the possibility to address the beneficiaries to other WISEs or to find internships opportunities within conventional enterprises. In this regard, having *Procedures to determine the need of transitional measures to enhance users' employability* and the *Variety of transitional measures available for the beneficiaries* have been judged as success factors (respectively 56% and 67% of WISEs assigned them a score equal or above 7). The most common transitional measures offered to users are internships within conventional companies or the possibility of being transferred to other WISEs that offer social and occupational integration programs in the medium-long term.

#### **4.1.1.4 WISE's functioning success factors at the organisational level**

The *Soft skills owned by employees (personal, social and methodological competences)* and the *Hard skills owned by employees (job-related competences)* revealed to be the most important success factors, with 89% and 83% of the WISEs respectively giving an evaluation equal or above 7.

The research team agreed on a list of 8 soft and 7 hard skills. In the survey it was subsequently asked to WISEs to indicate which soft and hard skills are expected from employees. As result, 11 WISEs stated to work with employees which own at least 7 soft skills and 15 organizations declared to require at least 5 of them. In order of decreasing importance, the skills that were mentioned the most are: *Ability to give appreciation and recognition to beneficiaries*, *Communication*, *Ability to motivate others* and *Tolerance and respect*. As regard to hard skills, 6 organisations declared that their employees must own at least 4 hard skills. The most mentioned of them in order of decreasing importance are: *Technical skills related to specific market-oriented activities*, *Social work*, *Work accompaniment of beneficiaries* and *Management/Administration*.

72% of WISEs have also judged the *Skills owned by members of the strategic board and members of the directors' board* as a success factor. Applying the same procedure adopted for the employees, the research team agreed on a list of 10 competences for strategic board members and 11 competences for director board members and we asked to make it explicit which competences are expected. It emerged that 78% of WISEs expect the members of the strategic board to own at least 4 of the 10 proposed competences. The most mentioned in decreasing order were: *Strategic management*, *Financial Management*, *Knowledge of the social security system* and *Ties to political authorities*. With regard to the members of the director's board, in 39% of the organisations they are expected to own at least 4 of the 11 proposed competences, in particular: *Economics and management*, *Social work*, *Social pedagogy* and *Socio-professional support*.

WISEs fulfil specific *Quality, accounting or governance standards* that may sometimes be requested by public authorities. The adoption of such standards seems to be relevant for the organisations' success, as stated by 61% of the interviewees. In particular, our findings show that 78% of WISEs adopt a quality management system according to norms of the ISO 9000 family or similar models, 56% of the organisations affirm to follow the Swiss GAAP FER 21 accounting standard<sup>11</sup>, which is specifically designed for non-profit firms and 5 WISEs follow a governance standard (e.g. the Swiss Foundation Code<sup>12</sup> or the ZEWO certification<sup>13</sup>).

Since WISEs are often in competition with for-profit enterprises, they need to formulate and implement effective business strategies in order to succeed. In the survey we asked the organisations whether it is more important to follow a diversification or a focalisation strategy. 72% of WISEs answered that it is important to *Pursuing a diversification strategy in the selection of the business areas and the economic sectors in which to operate* (39% of organisations gave to this success factor a score of 9 or 10), whereas only 44% of the sampled organisations attributed importance to the pursuit of a focalisation strategy (that's why we do not consider the

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<sup>11</sup> Swiss GAAP FER are Swiss accounting standards which provide a true and fair view of the assets, financial and income situation of an organization (see [www.fer.ch](http://www.fer.ch)).

<sup>12</sup> The Swiss Foundation Code is a code of conduct developed by SwissFoundations, the Association of Swiss grant-making foundations (see [www.swissfoundations.ch](http://www.swissfoundations.ch)), which can be adopted on a voluntary basis by all foundations based in Switzerland.

<sup>13</sup> The ZEWO Foundation sets standards for Swiss charities and awards the organizations which meet these standards with the ZEWO-seal (see [www.zewo.ch](http://www.zewo.ch)).

latter a success factor). In particular, our results show that WISEs are active, on average, in 5 different economic sectors (one organisation even declared to be active in as many as 13 different sectors). Moreover, in the period from 2002 to 2012, 15 out of the 18 WISEs have opened at least one new area of activity or have substantially redesigned their offer<sup>14</sup>.

In relation with the strategical behaviour of WISEs, we also tested the importance of the *Definition of target customers*: 50% of the organisations considered it as a success factor and only 4 WISEs declared not to be targeted on a specific type of customers. The other organisations state to target their activities for a specific group of potential customers (either individuals, companies or public institutions), the majority of them targeting more than one customer segment.

In the end we assessed the importance of remuneration policies and incentive mechanisms either for the beneficiaries or for the employees. 56% of WISEs state that the adoption of *Remuneration policies for beneficiaries that take into account their reduced productivity* is important for their success. Our results show that open-ended employment contracts, fixed-term employment contracts and employment contracts in the form of integration programmes financed by public authorities are equally spread. Moreover, no more than 41% of WISEs pay to beneficiaries a fixed salary commensurate with their performance or a salary corresponding to the prevailing industry wage.

Finally, 50% of WISEs indicated that *Granting monetary or non-monetary incentives to employees beyond the usual remuneration* is a determinant of their success. Our results show that a vast majority of WISEs' employees (85%) is hired under an open-ended contract and that 11 WISEs out of 18 (61%) give them some kind of incentive (monetary or non-monetary, dependent or independent to their performance)<sup>15</sup>.

#### 4.1.1.5 Discussion

Our findings are coherent with some evidence taken from other related bodies of literature with respect to the following points:

1. WISEs attribute a clear importance for their success to the variety of skills owned by employees, members of the strategic board and members of the director's board. The importance of a multiplicity of skills is widely studied in the literature and it seems that soft and hard skills are equally precious (see Robles 2012; Gunsch 2005). Moreover, in their study on the governance structure of companies, Baysinger and Butler (1985) state that, since the board of directors is composed by individuals with different competences and personalities, the choice of a person instead of another may have an impact on the firm performance and ultimately on his capability to succeed.
2. WISEs maintain many relationships with public authorities and this is an important determinant of their success. The importance of an effective inter-institutional cooperation is also underlined by Bieri et al. (2013), who described it as an "indispensable instrument for the work integration of unemployed people". For an effective cooperation, WISEs also need to establish clear<sup>16</sup> and shared objectives with their funding authorities. For a discussion on the importance of a clear objectives' definition and the positive effects on the performance of the subsidised organisation, the reader can refer to Nellis (1989) and Shirley and Xu (1998). The lack of pressure on the achievement of specific objectives that emerged from our analysis may explain the fact that only few WISEs have developed indicators to measure their performance in terms of impact, whereas output indicators are definitely more widespread. Finally, public authorities request WISEs to be certified according to specific quality, accounting or governance standards. This contributes, among other things, to the financial transparency of the subsidised organisations and stimulate them to an

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<sup>14</sup> The answers that we obtained may be grouped into the following categories: (a) creation of new business units in response to customers' requests; (b) creation of new business units to follow new emerging trends (e.g. recycling, biological agriculture, etc.); (c) development of an integrated offer into existing business units; (d) enter into more segments of the same market; (e) takeover and conversion of existing companies, whose succession was not regulated (family businesses) or operate in markets that are no longer profitable; (f) enter into profitable niche segments.

<sup>15</sup> Since "only" 44% of interviewees gave importance to *Granting monetary or non-monetary incentives to beneficiaries beyond the usual remuneration*, this element has not been considered as determinant for WISEs' success.

<sup>16</sup> A precise definition of the characteristics of a *clear objective* can be found in Librera et al. (2005).

efficient use of their resources. The positive effects deriving from the adoption of such standards have been demonstrated in the literature<sup>17</sup>.

3. WISEs offer a variety of support services to their beneficiaries, in order to facilitate their reintegration into the conventional labour market and/or into the society as a whole. According to Fryszer (2005), since the 80s and 90s the idea has emerged that the adaptation of the offer in terms of job opportunities and related services in a way to satisfy the needs of each beneficiary is strongly required in order to effectively achieve his social and work integration. The importance of the supporting measures has also been confirmed by a study conducted by Morlok and colleagues (2014) on the effects of several labour market programs on the employability of disadvantaged people.
4. WISEs pursue clear and defined market strategies that tend to diversify the range of economic activities (the greater the activities' diversification, the higher the possibilities to match job offer and beneficiaries' needs and resources) and the variety of customers (the greater the variety of customers, the less the economic risk). As stated by Schneider et al. (2007), the formulation of a market strategy<sup>18</sup> should provide the basis for coherent decisions and a clear action planning. Therefore, this important issue should not to be left to the chance. Moreover, Grant and Jordan (2013) maintain that, because of the specific characteristics of a market, a company has to make a diversification or focalisation decision on a case-by-case basis, after having gained a deep understanding of the competition and having conducted an objective evaluation of the available resources. For WISEs, this implies to consider both the intensity of the competition with traditional enterprises and the abilities of their users.
5. WISEs often adopt remuneration policies for beneficiaries that take into account their (reduced) productivity; moreover they usually provide their employees with material and/or immaterial incentives. Baker and colleagues (1988) state that the structure of an incentive system can have a significant effect on the motivation of employees and thus on the performance of an organisation. Stajkovic and Luthans (2001), studying different incentives mechanisms, maintain that either monetary incentives linked to the work productivity or non-monetary incentives like social recognition or positive feedbacks from the supervisor, can have a significant effect on employees' motivation. However, Dubach et al. (2015), studying the effects of three forms of incentives adopted in the Swiss social assistance field – assistance allowance, integrative allowance and minimum integrative allowance – conclude that the effect of a combination of financial and non-financial incentives on motivation depends on the individuals concerned: for some they may increase the motivation and thus their reintegration efforts, while for others they may have no relevant effect.

#### 4.1.2 Financial success factors

The main funding sources of Swiss WISEs are market revenues (their total amount has been estimated in a range of CHF 618m and CHF 797m) and direct public funds. Donations and member fees have just a minor relevance (*Figure 2*). However, due to different firm sizes and heterogeneous business models, there is great heterogeneity in the mix of economic resources.

Detractors of the WISE-model claim that SEs benefit from a luxurious publicly funded financial setting and that public funds are diverted for the distribution of profits to the owners or the executive managers. Overall, our study shows that Swiss WISEs do not make profits at the expense of the general public. In fact, due to their legal forms, cantonal regulations, and organisational purpose or statutory requirements, they are not allowed to distribute profits but must keep them within the organisation. Furthermore, it has to be pointed out that public funding does not consist in a *à fonds perdu* financing. Rather, subventions represent a remuneration of the non-commercial delivered services (e.g. care, support and coaching for the beneficiaries), or a financial compensation for the limited productivity of the disadvantaged workers<sup>19</sup>.

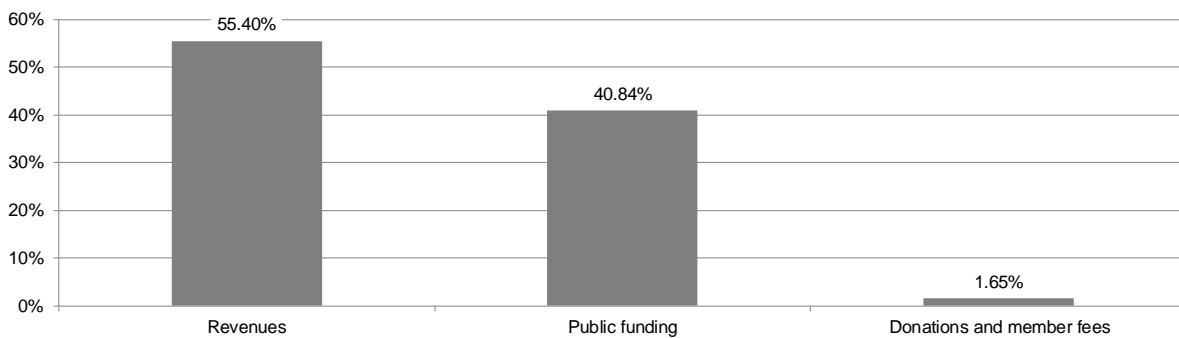
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<sup>17</sup> See Mainardi et al. (2010) for a critical discussion about the introduction of standards of the ISO 9000 family into organisations taking care of disabled people; see Meyer (2007) for a discussion on the effects of accounting standards on the transparency of an organisation; see von Schnurbein (2008) for a dissertation on the positive effects of the standards contained into the Swiss Foundation Code on governance mechanisms of Swiss foundations.

<sup>18</sup> See Airoidi, Brunetti and Coda (2005), as well as Pellicelli (2005), for a discussion on market-related strategic decisions, which appear to be particularly relevant also for WISEs.

<sup>19</sup> Nevertheless, estimations produced by Crivelli et al. (2012) showed that public subsidies also contribute to the partial covering of the costs related to productive activities.

**Figure 2: Relevance of different funding sources (median of the proportion of all earnings, per WISE, year 2012)**



Source: Adam et al. (2016)

The following paragraphs present critical success factors seen from a financial point of view. All the factors can be classified in the “WISE’s functioning (organisational level)” category. As the reader will notice, there is some “overlapping” with the strategic and organisational success factors.

#### **4.1.2.1 Professional Management**

The systematic implementation of management methods and leadership policies, an entrepreneurial approach, efficient and effective practices, good governance principles etc. are all critical characteristics of a WISE’s professional and financial management.

In our study, we found the following success factors:

##### *In-house financial management*

The financial management is organised internally and embedded in the WISE’s organisational structure. Therefore, an *ad hoc* overview of the relevant key figures is possible at any time. A competent in-house expert is in charge of the financial function (chief financial officer) and this task is not a secondary responsibility of the chief executive officer.

##### *Composition of the leading structures (e.g. board)*

On the one hand, there are several advantages if a member of the board or the executive committee has specific financial expertise and can scrutinise the WISE’s financial and business decisions (cfr. chap. 4.1.1.4). On the other hand, it might be appropriate that the leading structures work as a collective body to avoid thinking and acting in “silos”.

#### **4.1.2.2 Internal control**

Internal control, quality management, market analyses, stakeholder analyses etc. are all important elements of an entrepreneurial and efficient management approach. Organisational processes have to be adequately defined and formalised, being at the same time specifically aligned to the WISE’s conditions, pragmatic and practice oriented. We could derive the following success factors from our analysis:

##### *Controlling*

Controlling processes allow an internal cost accounting and performance analysis; they facilitate a corporate monitoring and support reasonable decision-making.

##### *Monitoring of key figures*

By the use of an internal, specific system of key figures, the WISE can monitor, control and direct its activities. In our analysis, we found the following characteristic key figures: beds occupied, number of orders, profit margin, equity financing, personnel cost, revenues, target/performance-analysis, amount of donations etc.

It has to be emphasised that these key figures do not only relate to the WISE’s managerial activities, but also to the care-related activities. Furthermore, they have to be evaluated in a complementary way (i.e. with regard to the twofold aims of a SE) and not in isolation.

### *Continuous reporting*

An evaluation of key figures and their communication should not be limited to the annual reporting process. Instead, a continuous reporting process, which takes place on a regular basis and which satisfies the informational needs of different addressees (e.g. leading body, executive persons, business unit manager) is part of an effective internal control.

#### **4.1.2.3 Diversification**

In general, most WISEs in our sample suffer from a volatile financial situation. The main reasons are unstable orders and revenues, as well as volatile public funding due to the varying number of assigned beneficiaries, the cantonal financing system or other requirements included in the service agreements. Thus, public funding does not compensate the common business risk, as most critics of WISEs claim. In fact, Swiss WISEs strive for (financial) independence. This relates directly to their self-perception of being an enterprise rather than a social organisation. In this context, the well-known principle of diversification is obvious: for the purpose of being more independent and better compensate the risks, WISEs seek a diversified financial portfolio. A diversified users structure, a diversified public funding (i.e. different financing authorities), diversified financing sources (besides public funding also revenues, donations etc.) and diversified business activities promote the required diversification. Regardless of this principle, WISEs in our sample clearly reject a business-driven optimisation of the target-group composition (a so-called “creaming effect”). Focussing only on the most employable beneficiaries would be contradictory to the twofold goal of a WISE.

#### **4.1.2.4 Independent and robust financial structure**

According to their statements, most WISEs in our sample are in a period of transition from a “pioneering phase” to an established enterprise. At this point, the financial situation typically weakens. Therefore, WISEs strive for an independent funding by extending their revenues, by a stable equity funding and capital structure and by a reasonable liquidity and profitability. The main goal of such a strategy is to reduce the influence of third parties (especially the public funding authorities that demand a strict participation in decision-making) and to seek for a higher self-determination.

#### **4.1.2.5 Implementation of a generally accepted accounting standard**

Annual reports that are in accordance with a generally accepted accounting standard are more transparent, useful and relevant, and meet the different needs of information of the various stakeholders<sup>20</sup>. In addition, preparing an annual report in accordance with an accepted accounting standard underlines the WISE’s professional management and its reputation.

#### **4.1.2.6 Balance between social and economic success**

WISEs follow a twofold aim by simultaneously striving for economic performance and work integration of their beneficiaries. Nevertheless, they face several challenges in meeting this twofold aim, e.g. coping with business units in deficit. During a certain period the deficit of these units can be compensated by the organisation and by profitable units. However, if the business unit does not manage the turnaround in the medium and long run, unpopular decisions have to be taken and the unit needs to be closed. Nevertheless, in order to assure the pursuit of the social goal, other employment opportunities (either internally or externally within partner organisations) are evaluated and offered to the “redundant” workers.

## **4.2 Success factors from the beneficiaries’ perspective**

In this chapter, we present the success factors identified through the qualitative analysis of the beneficiaries’ point of view.

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<sup>20</sup> In Switzerland, there is a specific non-profit accounting standard – Swiss GAAP FER 21 which is closely aligned to the specific needs of and requirements of the NPOs. For further details see: Zoebeli & Schmitz (2017).

#### **4.2.1 Contextual success factors at the micro-level**

The impact of working in a WISE on the chances to regain an employment is closely linked to a number of individual “background” factors. The personal starting situation of the beneficiaries needs to be analysed and understood in order to assess the employment potential and to define the most appropriate support measures. Two main aspects emerged as key factors for promoting or hindering employability: a series of objective attributes, on the one side, and motivation, on the other side.

##### *Objective attributes of employability*

Several personal factors have been cited by the beneficiaries, that may often represent a barrier hindering their access to ordinary labour market. According to our results, the following attributes are important:

- Language skills, notably in the official regional language.
- Professional skills and formal qualifications (e.g. educational level, professional qualification and experience, special skills and competences).
- Health status and impairments.
- Residential status (some status, e.g. the asylum seeker status, imply a restricted access to labour market).
- Age.
- Duration of inactivity.

Access to the labour market becomes very challenging if the beneficiaries present an accumulation of negative attributes. This sort of disadvantage can be particularly strong, since most of the abovementioned factors are either unchangeable or hardly changeable.

##### *Personal motivation*

The motivation of beneficiaries to work in a WISE is another key factor that influences the success of the work integration measures. A number of factors can have an impact on motivation, such as the access to social security benefits and bonuses (or conversely the risk of incurring in financial sanctions)<sup>21</sup>, as well as several social and psychological attributes (e.g. the willingness to change one’s personal situation). It seems important that either beneficiaries start to work in a WISE with an intrinsic motivation or that they get specific support during the program in order to enhance motivation, especially in case of forced participation (workfare).

#### **4.2.2 Contextual success factors at the macro-level**

The situation and the developments observed in the labour market are obviously major environmental factors that influence the individual employment prospects. Elements such as automation, tertiarisation and decrease of job demand in specific economic sectors particularly affect the opportunities of people with a lack of professional skills or limited choices. Since these general circumstances cannot be directly influenced neither by the beneficiaries nor by the WISEs, they need to be carefully considered in the planning of work integration measures.

#### **4.2.3 Framework conditions success factors at the micro-level**

A third category of success factors refers to the different forms of case-level cooperation between WISEs, public bodies and for-profit companies.

##### *Cooperation between WISE, public bodies and beneficiaries*

A successful and helpful cooperation between all the parties involved before, during and after the work experience in a WISE requires clear, transparent and individual agreements concerning the goals, the working conditions and the evaluation of the “program”.

##### *Job placement support measures*

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<sup>21</sup> Working in a WISE should always be a financially beneficial option if compared to inactivity. Therefore, the salary and/or the additional social allowance received must be substantially higher than the professional costs (transports, meals, etc.).



Another key factor for a successful work integration concerns active support measures for the beneficiaries who are seeking for a regular job. This element requires either a close cooperation between WISEs and public bodies (if the latter are responsible for job placement support) or a direct help during the application process, as well as facilitating the contacts with potential employers (if the WISE is responsible)<sup>22</sup>.

#### **4.2.4 Framework conditions success factors at the macro-level**

If the overarching goal is work integration, it is important that there are no economic disadvantages for WISEs in fostering a successful transition of the most employable beneficiaries into the ordinary labour market (avoiding thus a “lock-in effect”). The risk of “wrongfully” keeping these beneficiaries in the WISE for economic reasons (e.g. if the self-financing goal through market revenues and/or the work integration goal are put very high by the public financing bodies) should be avoided.

#### **4.2.5 WISE’s activities success factors at the micro-level**

We distinguished here between success factors belonging to the productive processes (i.e. the work activities offered to the beneficiaries) and success factors pertaining to the additional “supporting processes” that many SEs give to their disadvantaged workers.

##### **4.2.5.1 Productive processes success factors**

Actively participating in the productive processes of a WISE can generate several impacts on the psychosocial and material well-being, as well as on the work integration chances of the beneficiaries. The nature and the content of the work activities influence the achievement of the desired goals. The generation of benefits also relies on the interaction between these factors and the individual starting situation of the users (see. chap. 4.2.1). The diversification of the productive activities and the quality of the matching between beneficiaries and productive processes are also considered as important success factors.

##### *Psycho-social effects of work*

The psychosocial benefits of WISEs can affect in several ways the pursuit of the social mission (social inclusion and well-being, but also the integration of the disadvantaged workers into the ordinary labour market). The work experience can positively influence some of the “initial” attributes of the candidates, e.g. language skills and motivation to pursue work integration.

First of all, working in a SE can further the social inclusion of marginalised people by facilitating the creation of new social contacts. Secondly, for non-native speakers it is a good way of improving their knowledge of the local language, thus increasing their social inclusion prospects, as well as their employability. Thirdly, doing a work that is useful for a client or another kind of “user” reinforces the social recognition and the self-esteem. Fourthly, the experience of successfully contributing to a productive activity rises the self-confidence and the self-efficacy, which indirectly further work integration. Fifthly, the activity performed in a WISE offers a daily structure, which is particularly beneficial to the quality of life of severely disadvantaged people. Sixthly, the “capability of voice” (i.e. the possibility to participate in the decision-making processes concerning the productive processes, if granted) increases the individual’s responsibility and motivation. Seventhly, the perceived opportunity to get a regular job (within the WISE itself or in the ordinary labour market) seems to be another important factor enhancing motivation. Finally, working in a WISE contributes to the (continuous) development of personal and vocational skills.

The theory in the literature that has been most commonly used to explain the beneficial psychosocial effects of work is Jahoda’s latent functions theory (Jahoda 1982). According to Jahoda, in modern societies work ensures five, immaterial benefits – otherwise referred to as latent benefits – which normally generate psychological well-being: a time structure, social contacts and experiences shared with people outside of the nuclear family, a sense of collective purpose, an enhanced social status and regular activity. The experience of unemployment, even with adequate financial compensation, is considered to be detrimental for mental health, since it deprives people of the latent benefits of work. Warr (1987) expanded Jahoda’s theory, including

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<sup>22</sup> Since it requires a close cooperation with for-profit (and/or other kind of) employers, we have classified the factor “job placement support” under the “framework conditions” and not under the “WISE’s activities” category.

other latent functions such as physical and mental activity, use of skills, decision latitude and “traction”, i.e. a motivation to go on from one day to the next.

### *Material effects of work*

The income gained for the accomplished work has a direct influence on (financial) poverty, but also an indirect effect on work integration. In fact, the wage or other forms of compensation paid by the WISE or by the welfare system can reinforce the financial incentive and motivation to re-enter in the (sheltered) labour market. On the other hand, an insufficient remuneration can induce feelings of “exploitation” in some participants, thus reducing the beneficial effects on psychological well-being.

Contrary to theories emphasizing the psychosocial benefits of work, Fryer’s agency restriction theory (Fryer 1986) underlines the need for individual self-determination, together with the manifest and material benefit of work, i.e. income. One of the assumptions of the agency theory is that people are agents struggling to assert themselves and influence the course of events. Most people would consider the financial benefit of work to be its redeeming feature, since it ensures a certain degree of self-determination and standard of living.

### *Direct effects of productive processes on work integration*

While the psychosocial and material impacts have mainly an indirect influence on employability and work integration, there are other elements (at least partially) related to the productive processes that have a direct effect on the participant’s employment prospects, i.e. the chances of finding a conventional job.

Firstly, the activity performed in a WISE contributes to maintain or (re)acquire the rhythms and the “fitness” for work, thus increasing the capacity of long-term inactive workers to carry out an ordinary job. Secondly, if the ultimate goal is work integration in non-subsidised jobs, the productive activity and demands need to be as close as possible to those of the ordinary labour market. By the way, this could represent an issue for WISEs that are submitted to a non-competition clause and need thus to catch for “niche activities” (we find here a clear link with the framework conditions success factors at meso- and macro levels). Similarly, the integration in regular jobs can be hindered if the income received is satisfying and the working conditions in the WISE are perceived as more comfortable than in the conventional labour market (there is here a possible trade-off between the “reduction of poverty” and the “work integration” goals). Finally, the work experience in a WISE can enhance the participant’s employability, as long as the reputation of the SE among potential private employers is good. Conversely, when the WISE is perceived as a “social institution” rather than an entrepreneurial project, the signal conveyed could be negative, thus reinforcing the social stigma of the target-group.

This kind of success factors can be analysed and integrated drawing on the vast literature concerning the effectiveness of active labour market programs (see Holmgaard Johansen 2007; Bonoli 2008). As long as the overarching goal is finding a job in the ordinary labour market<sup>23</sup>, WISEs should be able to make a difference upon the following mechanisms<sup>24</sup>:

- The *qualification-effect*. The content of an activation program will determine by how much the qualifications of the unemployed will be enhanced<sup>25</sup>.
- The *motivation-effect* that follows from a positive emotional experience with the activation system, resulting in higher self-esteem and a higher motivation for job searching (there is here a close link between psychosocial impacts and work integration prospects).
- The *contact-effect* that mirrors the significant information barriers that usually exist between employers and employees. A program can reduce these barriers by creating (either direct or indirect) contacts

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<sup>23</sup> It is quite common in Switzerland to consider WISEs as a “gear” or a “program” of the so-called active welfare state, which aims at integrating unemployed people and welfare recipients into regular employment. From our point of view, it is important to stress that this goal is not realistic for all disadvantaged workers. Moreover, one should avoid to integrate fragile people as rapidly as possible into jobs of poor quality (this stresses the importance of investing resources in their human capital). Beyond the vocational and the work integration goal, WISEs should also aim at creating jobs of good quality for people at risk of exclusion from the ordinary labour market.

<sup>24</sup> Our findings refer to some of these elements in particular, i.e. qualification, retention, incitation and “destigmatisation” effects.

<sup>25</sup> The vocational skills acquired in the WISE should always be attested at least by a certificate of employment. The formative value of the experience could be increased if it leads to a formal qualification.

between employers and marginalised groups, in which the companies would not normally recruit new workers<sup>26</sup>.

- The *retention- (or locking-in) effect*. People are not able or do not want to leave the activation system either because they consider a program to be beneficial, or they find it pleasant, or they simply haven't enough time to seek out employment.
- The *incitation-effect*. In order to foster work integration, one needs to avoid the so-called "false incentives", ensuring that regular work is always a financially beneficial option with respect to inactivity or participation in an activation program. As just underlined before, we find here a possible trade-off between the poverty reduction goal via a subsidised job and the work integration goal; a negative income tax system could be a solution.
- The *"destigmatisation"-effect*. Welfare recipients are likely to transmit negative signals to employers. Thus, an effective program needs to counteract the possible negative discrimination underlying the recruitment processes. It is crucial, therefore, that the organisation has a good credibility among employers. Another method consists in reducing the preconceptions and minimizing the economic risk for the employer by offering staff on loan and/or internships opportunities (this represents another form of the contact-effect).

#### *Diversity of productive processes*

It is desirable for a WISE to offer a wide spectrum of different tasks and working activities, in order to facilitate a good matching with a beneficiary's profile and interests.

#### *Performance-adapted matching to productive processes*

Work processes and requirements can place high physical and mental demands on beneficiaries. It seems important that performance requirements are congruent to the initial situation and performance potential of the beneficiaries, and that the productive processes permit a successive adaptation to the possibly increasing performance level. In addition, the working activities should provide the opportunity to offset fluctuations in the beneficiaries' performance. It is therefore advantageous if a WISE offers activities with different performance demands. It also seems to be important that individuals participate in work integration programs shortly after losing employment.

#### **4.2.5.2 Supporting processes success factors**

The term "supporting processes" refer to a range of distinct services that are often offered by the WISE beside the productive activity with the aim of fostering social inclusion and/or work integration. These services are, for example, supervision, off-the-job training, other type of courses, counselling services and job coaching.

Three success factors regarding the support services have been mentioned by the beneficiaries:

- The *professional attitude of the staff* in charge of the supervision of the disadvantaged people (i.e. "regular" employees).
- The *variety of supporting services* seems to be a key success factor, because it allows to meet the individual needs and to assure the personal development and the work integration in an optimum way. Moreover, it seems important that the most employable workers have a sufficient amount of time for their active job search, in order to increase their work integration chances.
- A *resource- and goal-oriented helping relationship* with a monitoring of the personal situation at regular intervals. It has been underlined during the interviews that individual motivation can be enhanced through suitable coaching and support services offered by the WISE and/or the public bodies agencies.

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<sup>26</sup> The contact effect has evident links with the abovementioned "job placement support" success factor belonging to the framework conditions at the micro-level. The same applies to the "destigmatisation" effect.

### 4.3 Success factors from the public bodies' perspective

In the following paragraphs, we focus on the perspective of public bodies. The different forms of regulation and collaboration that were identified as success factors - mainly belonging to the “framework conditions” sphere of the impact model - are being explained both at the “case-level” and at the meso- and macro- levels.

#### 4.3.1 Framework conditions success factors at the micro-level

The micro- or case-level success factors refers to the collaboration between the beneficiaries and the public agencies. The relevant success factors we could identify were: (a) the skills of the public bodies consultants; (b) the duration of the work integration process; (c) the personal motivation; and (d) the performance potential of the beneficiaries<sup>27</sup>. The interdependencies of these success factors will be explained in detail below.

There are a number of factors, that have an influence on the quality of the collaboration between public bodies and beneficiaries, namely receiving an intense coaching during the application process by a public body consultant, organising frequent assessment meetings to identify strengths, weaknesses, competencies and work interests of the target-group, as well as a “motivational work” in case of resistance, just to name a few. Another important aspect to be considered is the participation of the beneficiaries in the decision-making processes, as far as their abilities are sufficient. In this context, the skills of the public body consultants play a very important role; in particular they should:

- Put the focus on the abilities, goals and interests of the beneficiaries.
- Make their role as consultants clear.
- Have a background in social work, in order to create a trustful relationship with the beneficiaries.
- Possess assessment skills to investigate the beneficiaries' employability.
- Have a good knowledge of the network of local services and WISEs.
- Show “cultural sensitivity” in the context of intercultural consulting.

Secondly, the findings make clear that the duration of the work integration process is an important success factor, which again is determined - among other aspects - by the motivation and the performance potential of the beneficiaries. To what extent the duration has a (positive or negative) influence on the successful integration of the beneficiaries depends on their health status and the overarching integration objective that is being pursued. It also varies according to the type of public bodies involved. While the Unemployment Insurance provide for integration programs of very short length (normally between three and six months), Social Assistance and Disability Insurance offices often offer measures on a longer time span, arguing that a limited time for a workplace integration process might be counterproductive for their disadvantaged beneficiaries. Decisive are the realistic chances of a person to find a job.

According to the public body experts, the crucial aspects of the motivation of the beneficiaries are both their willingness to collaborate with public agencies and WISEs, as well as their willingness to make a change in their unemployment situation. In that sense, the interviewees uphold the need to put a (limited) degree of pressure on the beneficiaries for accepting to work in a SE as a form of compensation for the welfare payments they receive from the State. On the other side, the possibility of taking part in the decision-making process (e.g. in the choice of the workplace within the WISE or in the formulation of the personal goals to be pursued) is also mentioned as a major factor of motivation. It is important that beneficiaries know why they are “assigned” to a specific WISE and what the general objectives of the program are. They must perceive that participating in the program is a chance for them and not a form of sanction.

Besides motivation, the performance potential of the beneficiaries is crucial for the course of the work integration process. The performance potential is highly influenced by the health status and it can thus be quite unsteady. The overall integration objective need to be formulated in accordance with the identified potential: it can be work integration, the improvement of the employability and/or social integration. At this stage, an adequate matching is very important, which means that the skills of a beneficiary should match the WISE's requests and goals, thus improving the chances of a positive development within a WISE. The necessary information for a good matching can be at least partially found in the official records of the beneficiary but have to be enriched by further assessments during the WISE experience.

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<sup>27</sup> The personal motivation and the performance potential of the beneficiaries are treated as “framework conditions” success factors (and not “contextual” success factors as in chapter 4.2.1) since the focus is placed here on the collaboration between beneficiaries and public authorities.

### 4.3.2 Framework conditions success factors at the meso- and macro-level

Together with the representatives of other stakeholders, some public body (PB) managers observe that in Switzerland the political discourse on WISEs assumes the existence of a clear separation between a “regular/primary” and a “secondary/sheltered” labour market. A crucial differentiation between the two concepts lies in their financial sources: the regular labour market is supposed to be fuelled by private money and profit-oriented expenses/investments, whereas the secondary labour market is supposed to be fuelled mainly by public money and philanthropic expenses/investments. Our data make it possible to take a closer look at this presumed division and its underlying assumptions, putting in question whether these also apply to WISEs.

A couple of PB-managers directly criticised the concept of secondary labour market as an artificial concept connected to specific legal frameworks. Other representatives of public bodies did not directly criticise the concept of the secondary labour market. Nevertheless, all interviewees mentioned the embeddedness of WISEs in a network of public, non-profit and for-profit organisations (as well as in the regional/local economy) as an important success factor. Our findings indicate that an absolute separation between two types of market is neither practically nor theoretically useful. The conceptualisation of the primary and secondary labour markets as two extremes in a continuum on which WISEs can be placed relative to each other and relative to other organisations, needs to be discussed. In fact, the success of WISEs depends on their integration in a broader network of organisations and not upon their segregation in a secondary labour market.

The embeddedness of a WISE unfolds in different forms and constellations of cooperation: cooperation between public bodies (PBs) and WISEs, cooperation between WISEs, cooperation between WISEs and for-profit organisations (FPOs) as well as trilateral cooperation (PBs-WISEs-FPOs).

A number of laws and regulations are decisive when it comes to cooperation. Especially the frameworks influencing the competitive nature of a WISE’s economic activities, the regulation of profits allocation and the negotiation of service agreements were stressed by the PB-interviewees as relevant success factors. In the service agreement negotiation process, PBs want to have the possibility to measure different kinds of effects on the beneficiaries through continuous controlling and monitoring. On the other hand, PBs find it necessary that WISEs keep a certain level of entrepreneurial and professional freedom. Therefore, a balance between flexibility and distinctiveness of processes and aims constitutes a success factor. Through this balance the scope of action has to be defined in which WISEs can react promptly to market opportunities and to changes regarding the capacity of the beneficiaries, without deviating from the main integration aim of the service agreement. Thus the reporting of decision-making – why and how do WISEs adjust planned processes – is a crucial element of the PB-WISE relation. Concerning the distinctiveness fixed in the service agreements, the form demanded as well as the time and effort needed for controlling, reporting, and monitoring have to be specified and the related costs should be clearly attributed.

In Cantons where service agreements are attributed after a public tender, the competition between WISEs is harder. In such circumstances, PBs stress that the competition should also be focused on the workplace quality and integration profiles<sup>28</sup> offered by the WISEs, and not only on the costs of service agreements. For this reason, it is important to rely on trustworthy quality standards. At this point, the WISE-WISE cooperation comes into play. It does not make sense that PBs negotiate quality standards with every single WISE; instead PBs should rely on negotiations with a delegation representing a large number of WISEs. Consequently, a high degree of connection between WISEs, ideally in the form of an umbrella organization, is deemed to be a success factor.

For WISEs aiming to facilitate the integration of their beneficiaries into the ordinary labour market, the cooperation with FPOs of the same or linked branches is indispensable. One form of cooperation consists in being part of an inter-trade organisation. In such a context, it is easier to inform the private competitors about the specificities and the needs of WISEs. With regards to the “competition issue”, WISEs can explain that they do not use the public funds for reducing the prices of their outlet products but instead for supporting their disadvantaged beneficiaries. In this context, moderately hybrid WISEs can “legitimate” the making of profits since the latter don’t derive from public subsidies but from the market activity<sup>29</sup>. Strongly hybrid WISEs – where the revenues and the costs related to the productive and the support processes cannot be fully separated – can still make clear that, thanks to a clear regulation of profits allocation, their financial benefits are earmarked and cannot be used solely for strengthening their market position (i.e. without a connection to their integration mandate). In this respect, it has to be noted that sometimes the State puts limits on the possibility to capitalise profits. The principle that SEs, i.e. subsidised organizations, can make profits and capitalise or reinvest them,

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<sup>28</sup> The integration profile describes which stabilisation, qualification and inclusion aims are pursued through the interrelation between types of support and production processes offered to beneficiaries.

<sup>29</sup> Nevertheless, this requires the adoption of analytical accounting techniques.

is not always recognized and accepted<sup>30</sup>. This fact does not obviously favour the strengthening of the entrepreneurial behaviour of WISEs.

In cases when the rules of cooperation or competition between WISEs and FPOs are questioned or challenged, a trilateral institution, the so-called "Tripartite Kommission" (in German) can be addressed. The "Tripartite Kommission" is a committee in which different stakeholders are represented and disagreements are handled. Obviously, an ideally staffed "Tripartite Kommission" with representatives of all stakeholders (PBs, FPOs, WISEs as well as labour unions) constitutes a success factor because it is an institution facilitating negotiations aimed at a balance between flexibility and distinctiveness when it comes to the interpretation of the laws regarding "competition" and "profit allocation" issues. Firstly, such a balance is especially important given the WISEs' hybridity because it heightens acceptance of the unavoidable "twilight zone" of profit regulation and, secondly, it helps define the scope of action in which WISEs can try to access further market areas through innovation. Transparency is crucial to establishing and keeping up such a balance. Transparency (concerning WISE's activities at the micro-level as well as WISE's functioning at the organisational level) is generally a crucial pillar of the highly complex embeddedness of WISEs because it can reduce their ambiguous recognition.

## 5 Conclusions

In this final chapter, we summarize the findings of the empirical investigation and propose further lines of research.

### 5.1 Main results

Our explorative study tried to fill a gap in the literature concerning the identification of the WISE's success factors. Indeed, whereas a few contributions had already investigated the economic success factors, almost no evidence was available concerning the "social" factors.

Apart from combining the economic and social perspectives together, the involvement of WISEs, beneficiaries and public bodies also allowed to consider the point of view of all the main stakeholders. At the end, no less than 30 success factors have been identified and classified according to the 6 spheres of our analytical impact model (see *Table 3*): 6 success factors are mainly linked with the economic performance, 12 factors with the social performance and 12 to both dimensions. The relevance of some "social" success factors actually depends on the overarching integration goal that a WISE pursues for their beneficiaries (the work integration, an increased employability and/or a stronger well-being), with some possible trade-offs between different success factors (e.g. between the material benefit of work and the incitation effect).

It should be noted that the findings have mainly an explorative value and that they reflect the subjective perceptions of the sampled participants. Moreover, the external validity of the results is likely to be the highest in institutional contexts that are similar to Switzerland, i.e. where the dominant type of SE is the Entrepreneurial Non-Profit model, where WISEs are still striving for a solid recognition and maintain close and strong dependence with public bodies (the latter limiting to a possible high extent their economic independence and their self-determination). Nevertheless, we believe that the relevance of most success factors can be generalised to other contexts and that this study represents a valuable basis for future research and discussions regarding the potential of WISEs in reducing poverty and social exclusion.

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<sup>30</sup> In fact, nearly a quarter of Swiss WISEs have to refund all the surplus to the funding bodies and can therefore be considered as zero-profit organizations and another 40% are required to refund a limited part of the surplus (Adam et al. 2016b).

**Table 3: Summary view of the economic and social success factors of WISEs (all perspectives combined)**

Spheres of the impact model	Economic success factors	Social success factors
<b>Context (micro-level)</b>	Objective attributes of employability (e.g. age, professional skills, health status, duration of inactivity)	
	Beneficiaries' motivation (to engage in a work integration process and to work in a WISE)	
<b>Context (macro-level)</b>		Labour market situation and transformations
<b>Framework conditions (micro-level)</b>	Autonomy in the selection process of new beneficiaries	Cooperation between public agencies and beneficiaries (e.g. skills of public consultants, clarification of the goals, matching between performance potential and duration of work integration process, capability of voice accorded to the beneficiaries)
		Cooperation between WISEs and public bodies
		Job placement support measures
<b>Framework conditions (meso- and macro-level)</b>	Transparent, tailored and flexible service agreements between WISEs and public bodies (incl. the definition of explicit goals and a clear regulation of profits allocation)	
	Cooperation between WISEs and for-profit employers (incl. the regulation of the "competition issue")	
		Financial incentives for WISEs and beneficiaries that are coherent with the work integration goal
<b>WISE's activities (micro-level)</b>		Procedures to determine the need of transitional measures for the users
		Transitional measures available for the beneficiaries
		Psycho-social benefits of work (depending on several factors, e.g. content of work, quality of social relations, employment prospects)
		Material benefits of work (depending on the "remuneration model" applied)
		Direct effects of productive processes on work integration (e.g. qualification, retention, incitation and "destigmatisation" effects)
		Performance-adapted matching to productive processes
		Variety of supporting processes (e.g. off-the-job training, job coaching)
<b>WISE's functioning (organisational level)</b>	Hard skills owned by employees	
	Soft skills owned by employees	
	Skills owned by members of the strategic and of the director's boards	
	Application of (generally accepted) quality, accounting and governance standards	
	Remuneration policies for beneficiaries that take into account their (reduced) productivity	
	Granting monetary or non-monetary incentives to employees beyond the usual remuneration	
	Balance between social and economic success	
	Diversification strategies (financial portfolio, business areas and productive processes, mix of beneficiaries)	
	Definition of target customers	
	In-house financial management	
	Controlling	
	Monitoring and continuous reporting of key figures	
	Independent and robust financial structure	

## 5.2 Further research developments: towards an analysis of the connections between success factors?

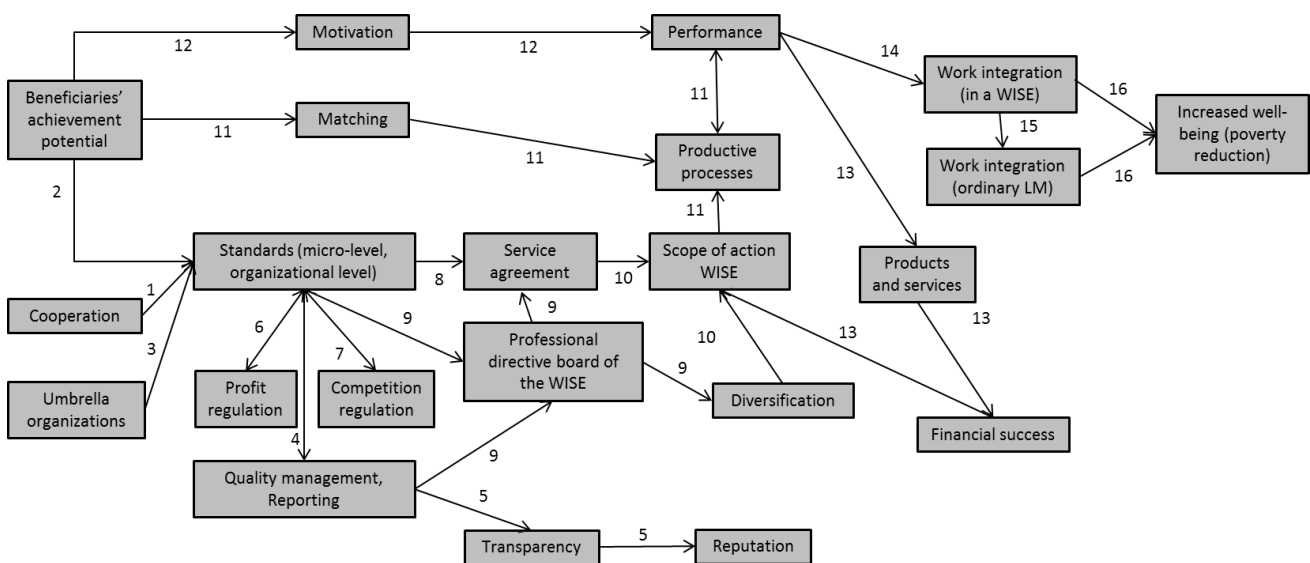
We imagine at least two possible extensions of our research:

- Firstly, since the nature of this study is mainly explorative, the success factors we have identified need to be refined and operationalised. They will also require to be empirically validated using statistically representative samples.
- Secondly, it would be interesting to go beyond the simple enumeration of a list of success factors by investigating their complex network of connections (the links of causation, as well as the interactions and the possible tensions between success factors). We have already suggested some possible interactions and tensions between success factors, but this kind of analysis should be performed in a more systematic way.

With reference to the second line of research, in the following paragraphs we briefly propose an example drawing on the work of Jacobsen (2006) who focused on (for-profit) start-ups and combined elements from different theories and findings into one single canvas.

The logic underlying the connection of the factors draws on the “theory-based evaluation” method developed by Giel (2015) which theoretically combines the opinions of different stakeholders in order to describe how a complex system should paradigmatically function. First of all, a number of shared assumptions concerning a well-functioning WISE need to be summarised in order to build the bedrocks of the paradigmatic model. The beneficiaries' motivation is enhanced if they have a sufficient degree of decision-making autonomy; furthermore their personal development is influenced by the mode of inclusion into the productive process. The accumulation of work experience leads to an increase of human capital and qualification. In addition, interactions with colleagues foster the social inclusion of the target group. Each beneficiary has a certain level of employability, but his or her potential finds it difficult to unfold in a usual working context. Therefore, the adaptation of the working processes and demands, as well as the existence of support processes and services tailored to the beneficiaries' needs, are decisive for the fulfilment of their potential. For this purpose, the soft and hard skills of the employees play a crucial role, in particular when the motivation and health of the beneficiaries are unstable. As the costs of the care and support processes can't be covered by market revenues, other financial sources are required, namely public subventions. This complexity makes it necessary that both the members of the strategic and the director's board are endowed with a broad spectrum of skills.

Figure 3: Paradigmatic model of interaction<sup>31</sup>



<sup>31</sup> The lines with a single arrow stand for a relation of cause and effect while the lines with a double arrow stand for reciprocal causation.



The network of success factors in *Figure 3* has to be seen as a variation of the analytical impact model and thus follows its main structure, arranging the factors along the horizontal line connecting preconditions, realisation and results. Furthermore, the success factors relating to the micro-level are placed near the top of the figure, while factors relating to meso- and macro-levels stay towards the bottom of the picture.

The public bodies take part in the determination of standards through cooperation with other stakeholders (1). The standards are linked to the beneficiaries' potential and refer to both the quality of care/support services at the micro-level and to other processes at the organisational level of WISEs (2). Umbrella organisations representing all other stakeholders – WISEs, FPOs and beneficiaries – participate in the definition and determination of the standards (3). Instruments for quality management and reporting are derived from these standards (4). Thereby internal and external transparency is granted and an objective fundament for public opinion and reputation is given (5). Furthermore, the standards influence the definition of the rules concerning the allocation of profits (6) and the competition issue<sup>32</sup> (7), as well as the negotiation of service agreements (8). The professionally skilled directive board of a WISE negotiates the terms of the service agreements and organizes their implementation in accordance to the standards, employing the corresponding instruments (9). The autonomy and scope of action of the WISE unfolds in accordance with the service agreement and the diversification options of a WISE (10). This scope of action determines the degree in which the potential of beneficiaries can be incorporated into production processes and converted into performance (11). The personal motivation interact with the beneficiaries' potential in determining their productive performance. As a crucial part of the beneficiaries' potential, motivation is at interplay with the performance (12). As a result of the productive performance of both the beneficiaries and the “regular” employees, products and services to be sold in the market are produced and a financial profit is generated, which in turn influences the scope of action (13). A rigorous evaluation of the beneficiaries' potential is likely to lead to the choice of the best work integration opportunity in a WISE (14). Subsequently, the increase of a beneficiary's performance thanks to his inclusion in a WISE has a positive influence on the chances to find (and possibly keep) an employment in the ordinary labour market (15). Finally, either a long-term inclusion in a WISE or a transition into the ordinary labour market leads to an increase in the quality of life of the beneficiaries, provided the jobs are of good quality (16).

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<sup>32</sup> This issue refers both to the competition between WISEs and the competition between WISEs and FPOs.

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