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## Coops Research Unit, Open University

**Two focus groups were conducted with the assistance of Gladius Kolothungam (London) and Rory Ridley-Duff (Sheffield).**

**Feedback from Focus Group in London – September 2011**

### Results

The Focus Group had 10 participants: social entrepreneurs and community development professionals attending. They were more familiar with the concept of social enterprise which is considered the trading part of the social economy in the UK.

#### **1. The characteristics of the social enterprises managed by the participants:**

1. *The size of the social enterprise (small : 5-10, medium : 10-50, big : >50 persons)*

Small: 5-10 persons	50%
Medium: 10-50 persons	30%
Big >50 persons	20%

2. *The legal forms (NPO, coop, others)*

Most of the participants are from cooperatives since this is the most widely used form in the UK social enterprise sector.

Cooperative	10%
NPO	20%
Company Limited by Guarantee - (varied Social enterprise structure)	70%

3. All work in the UK

4. *The subsidization of the social enterprise (strongly subsidized or not; market versus non market resources)*

*Strongly subsidized* are those that receive primarily public financing either directly or by contracts. *Mixed* are those that have contracts with the both the public and private sector. *Market* are those organizations that have primarily fee for service on the open market.

Strongly subsidized	40%
Mixed	40%
Market	20%

5. *The rural-urban aspect* 100% urban

6. Functioning level as manager

a. Senior management or top management	70%
b. Middle management	20%
c. Basic management	10%



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## Questions about competences in Social Economy:

### 2 The biggest challenges of the social economy managers

This question aims to prioritize the biggest challenges faced by the managers in the social economy (each participant shared his/her opinion in 3 minutes on 3 lines, not more).

#### Descriptors:

- *Sustainability,*
- *Strategic planning,*
- *Scaling up,*
- *Managing growth and change,*
- *Selling new concepts,*
- *maintaining profitability,*
- *balancing business and social goals,*
- *Intellectual Property Rights for new ideas,*
- *being flexible and accomodating stakeholders expectations,*
- *Being creative as well as proactive,*
- *Acquiring appropriate Infrastructure,*
- *Mind set to make profits in the market place while transitioning from charitable activities,*
- *Professional management,*
- *Training and retaining staff,*
- *Diversification,*
- *Funding,*
- *Cohesion in the team,*



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- *Communication strategies,*
- *Moving from grant dependency to revenue generation,*
- *Shared vision across the team,*
- *Value-led versus profit-led dichotomy*

### 3. The main management competences

After the consultation about competences definitions of management in the social economy (in the first table), participants completed the second table rating the level of their importance as managers (on a scale from not important to very important).

**First table:** Information about competencies (definitions to understand their significance).

Competences:	Definitions:
1. Strategic Skills	<ul style="list-style-type: none"> <li>✓ To understand the missions, the core business and the concrete objectives of the social enterprise (to know, understand and mobilize the governance system appropriate for the social enterprise).</li> <li>✓ To situate the missions, core business and concrete objectives in the external environment, peculiar to the social economy and to be able to act upon it.</li> <li>✓ To anticipate the evolutions and to develop new projects.</li> </ul>
2. Business skills	<ul style="list-style-type: none"> <li>✓ To manage and to analyze the operations (including the quality's preoccupations).</li> <li>✓ To manage the material means.</li> <li>✓ To manage human resources.</li> <li>✓ To manage the administrative and financial aspects.</li> <li>✓ To manage the relationships with the various stakeholders (customers, beneficiaries, fundraisers, suppliers, partners, competitors).</li> </ul>
3. Interpersonal skills	<ul style="list-style-type: none"> <li>✓ To develop a feeling of membership and pride to belong to the social enterprise, to their missions and more generally to the social economy sector.</li> <li>✓ To coordinate a staff in order to attain a mission, a common objective, while being able to delegate.</li> <li>✓ To negotiate with the various stakeholders.</li> <li>✓ To influence.</li> </ul>
4. Cognitive skills	<ul style="list-style-type: none"> <li>✓ To search information.</li> <li>✓ To treat information.</li> <li>✓ To communicate and spread information.</li> </ul>
5. Cross-disciplinary skills	<ul style="list-style-type: none"> <li>✓ 5.1 Support in the values.</li> <li>✓ Political and interpersonal skills.</li> <li>✓ Global and critical vision of the organization.</li> <li>✓ Innovation.</li> <li>✓ Implication and adaptability</li> <li>✓ Educational sense.</li> </ul>



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**Second table:** the level of importance about competencies in social management during your activity of manager:

Competencies about management in social economy	1	2	3	4	5
	insignificant	Not important	intermediate	important	Very important
1. Strategic Skills			*	**	*****
2. Business skills			*	***	*****
3. Interpersonal skills			**	***	*****
4. Cognitive skills				*****	*****
5. Cross-disciplinary skills			*	*****	***

In the discussion respondents rated **strategic skills** as the top priority followed closely by **business skills**, with **interpersonal skills** scoring equally high. Surprisingly **cognitive skills** had a high score as well. **Cross-disciplinary skills** too were considered important.

#### 4. Most important competencies for helping address challenges in social economy managers' work (presented in previous question (7)),

- a) Strategic Skills 50%
- b) Business skills 20%
- c) Interpersonal skills 10%
- d) Cognitive skills 0%
- e) Cross-disciplinary skills 20%

#### 5. The ways to learn those competences

[For each competency, can you state precisely how you acquired this competency - "The best way to teach these competencies"].

Many respondents indicated more than one source for acquiring each of the competencies.

How you can acquire these competencies about management in social economy	In a classroom	On the job	From a mentor	Other (describe)
1. Strategic Skills	*****	*****	***	Experience (3), From other professions,



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				Reading
2. Business skills	****	*****	**	Logical reasoning, Reading
3. Interpersonal skills	****	***	**	Life experience(2), Intuition, Personal Development course, Innate gift, reading
4. Cognitive skills	*****	****		Experience, Focused study
5. Cross-disciplinary skills	*****	*****	***	Wide reading, Networking

For strategic skills the respondents said they found a combination of the class room and on the job the best way to acquire them. They pointed out that the B A Social Enterprise offered the kind of learning that was useful for them to acquire more than one set of skills, in combination with on the job and life experiences, along with a bit of mentoring, which is also offered in the course.

All the other four skills too, the respondents felt could be learned in the class room but they need to be complemented by life experience and wide reading.

The emphasis on class room learning came through with distinct significance, closely followed by on the job training.

## 6. Additional Training needs desired by the participants:

Discussion on what additional set of skills and competences not listed in the document presented or not sufficiently highlighted in it resulted in the mention of the following competencies:

- *Market research,*
- *Communication,*
- *Creativity,*
- *Partnership building,*
- *Motivation building,*
- *Working with intuition,*
- *Critical thinking and reflection,*
- *Public relations,*
- *Brand building*



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## Feedback from Focus Group in Sheffield – September 2011

*A focus group was conducted with 6 participants, all current/former managers of social economy organisations. In four cases, participants were talking of their most recent social enterprise project. In two cases, participants talked about past enterprises to ensure the organization they discuss fell within the criteria for selection. It should be noted that some participants were engaged (as trustees / directors) with more than one social enterprise, but focussed on only one of them in answering the question about characteristics.*

### **The characteristics of the social enterprises linked to the participants (see note above):**

#### **a. The size of the social enterprise (small : 5-10, medium : 10-50, big : >50 persons)**

<i>Small: 5-10 persons</i>	<i>3 of 6</i>
<i>Medium: 10-50 persons</i>	<i>3 of 6</i>

#### **b. The legal forms (NPO, coop, others)**

*The participants adopted a diverse range of legal forms: four did not have registered charity status, two had charitable status.*

<i>Community Benefit Society (Cooperative)</i>	<i>1</i>
<i>Community Interest Company (CIC / CLG)</i>	<i>1</i>
<i>Non-Profit Company (CLG)</i>	<i>1</i>
<i>Charitable Company (CLG, registered charity)</i>	<i>1</i>
<i>Charitable Trust</i>	<i>1</i>
<i>Unincorporated Group (with Articles)</i>	<i>1</i>

#### **c. Country of operation**

*The companies were mainly (5 of 6) based in the UK, one of which had an overseas operation (in South America). One was based in, and operated within, South Africa.*



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**d. The subsidization of the social enterprise (strongly subsidized or not; market versus non market resources)**

*Strongly subsidized are those that receive primarily public financing either directly or by contracts. Mixed are those that have contracts with the both the public and private sector. Market are those organizations that have primarily fee for service on the open market.*

<i>Strongly subsidized</i>	<i>2 of 6</i>
<i>Mixed</i>	<i>2 of 6</i>
<i>Market</i>	<i>2 of 6</i>

**e. The rural-urban aspect**

*Four organizations that participated had a local/regional focus (urban base), while two had a national/international focus (1 urban, 1 rural). They characterised their operational orientation as:*

<i>Urban</i>	<i>2 of 6</i>
<i>Rural</i>	<i>1 of 6</i>
<i>Both</i>	<i>3 of 6</i>

**f. Other Characteristics:**

*The participants all described themselves as senior (top) managers. Half were younger than 35 years old, half were older. All participants had been (and two were currently) involved in the creation of social enterprises.*

**The biggest challenges of the managers:**

**g. For each participant, what are the biggest challenges in his managers' work?**

*Participants are identified as P1 through P6.*

*P1 - Lack of funding and the move to contracts. While still able to trade on open market, see the contracting as trading controlled by the state. There are no equitable discussions when trading with the state as the contracting process benefits the commissioner. Larger*



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*organisations that can cashflow trading more easily have an advantage. The perception of third sector is that we're moving from a welfare state, to a welfare mix, but the state still protects its delivery role and see the third sector as competition. Feel as though we're seen as at bottom of supplier chain.*

**P2 - Balancing social aims, staff development with the aims of funders.** *Contracts create a tension, and this tension affects mission drift. Funders and contracts won't pay for management and quality standards work (only the actual work). Despite the Compact (agreement between state and third sector on relationship management issues) small organisations cannot enforce the Compact. Public sector staff are not even aware of it and the private companies they contract treat the third sector as 'contract candy' (include them in bids, but then do not sub-contract the work).*

**P3 - Managing in an ever changing environment.** *Always looking to be paid from the work that we do, but still have to look for grant funding. Things change month to month, grants/contracts constantly changing – that is very challenging.*

**P4 - The vastness of the social economy.** *Collaborating with other allotments groups is hard so it is hard to create a common goal. When trying to decide on future (legal / organizational) structures - paralyzed by the choice and this lead to struggles on how to make a decision. Perceive a lack of willingness to collaborate even though there are hundreds [of similar organizations] out there. It is still difficult to find out who they are and where they are.*

**P5 - Sustainability is the huge issue.** *Procurement process for (council) contracts is difficult as a small organisation and it is hard to compete with corporates. Corporates are not willing to collaborate with small organisations. Despite encouragement to network, contracts are still going to corporate companies making it a struggle to offer security to employees and sessional staff. It is particularly hard when work is ad-hoc. In turn, that makes it hard to offer training for management and board because of tight finances. In our work, there is the additional overhead of safeguarding measures (because of the client group).*

**P6 - Keeping full-timers paid is a major pre-occupation.** *We did have funding from Holland, but they would not pay on time, so as chair I had to find the money (and sometimes had to act as bank of last resort). Partnership with the local provider was very difficult (as they*



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were 700 miles away). They had the money so you get treated like a supplier (rather than partner). It was also hard to involve the community and local authority, particularly in running events. They enjoyed it, but it was hard work (as this was the first time they had met people with AIDs.).

### About the seven main competences:

- h. **Participants studied the KSC framework for 10-15 minutes to stimulate thought and then assessed the competency items against the descriptions on the questionnaire (participants noted that there were 7 competencies on the KSC but referred to the 5 described on the questionnaire). After clarifying the description of the five competencies on the questionnaire, they gave their responses as:**

*Strategic Skills - Intermediate (1), Important (3), Very Important (2)*

*Business Skills – Intermediate (1), Important (2), Very Important (3)*

*Interpersonal Skills – Important (4), Very Important (2)*

*Cognitive Skills – Intermediate (1), Important (3), Very Important (2)*

*Cross-Disciplinary Skills – Intermediate (2), Important (2), Very Important (2)*

Based on these responses, **inter-personal skills** are seen as the most important overall, followed by **business skills**.

Participants also defined a category they felt was missing – **entrepreneurial skills** (establishing what is needed, creating viable markets, defining and reaching viable client groups, developing social economy trading activity).

- i. **When asked to identify which competencies would help them address the challenges they face:**

Three felt that all competencies were 'equally important' depending on context (they resisted choosing one over others). However, three identified specific competencies:

*P1 – Cross-disciplinary skills*

*P4 – Interpersonal / Cognitive skills*

*P6 – Business / Cognitive skills*



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*j. All participants were asked to indicate how they had acquired each skills. Their responses are summarized in the table below:*

	<b>Strategic Skills</b>	<b>Business Skills</b>	<b>Interpersonal Skills</b>	<b>Cognitive Skills</b>	<b>Cross-disciplinary skills</b>
P1	Classroom/ practice	Mentor	On the job	Experience/ mistakes	Instincts
P2*	Classroom/ on job (would like a mentor)	Classroom / on job	Classroom / on job (would like a mentor)	On the job	Classroom / on job
P3	Classroom / mentor (worked well)	All (worked well to have a balance)	On the job / mentor (wanted formal training)	Classroom / Other (university research)	On job / Mentor / Other (conferences)
P4	Mentor	Mentor (would like classroom)	Mentor	Mentor	Mentor
P5	On job / Mentor	On Job / Mentor / Conferences	On Job / Mentor / Instincts (developed while doing a degree in performing arts)	Experience	Mentor / Other (sub- conscious development )
P6	Experience / Other (Self- Study / Teaching) – wanted a mentor	On Job / Other (teaching) – wanted a mentor	On the job (with hindsight needed a mentor and more personal study)	Classroom / Other (books / own research activity)	Self-Study / <b>being</b> a mentor

\* this participant later stated that they treated conference attendance as ‘in the classroom’ after hearing others itemize conference attendance as a separate mode of learning.

Based on the above, the following are worth emphasizing:



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- *There was strong support for mentoring alongside other ways of acquiring competencies as this enhances reflection (and, in turn, learning).*
- *Participants recognised the value of classroom learning / activities to supplement on the job / experiential learning (and create more space for reflection).*
- *Self-study (own reading / own research activity), **being** a teacher, and **being** a mentor, were identified as important ways to accelerate the acquisition of skills and competencies.*
- *Being a teacher / being engaged in research gives a person much wider exposure to the experiences / perceptions of other organisations and people (more so that occurs 'on the job' or through 'experience').*
- *A similar justification was provided for self-study and reading as both accelerate exposure to others experience compared to 'on the job' or 'experiential' learning on their own.*

## **2. Other comments.**

- a. *Participants discussed 'red-flag' words (e.g. 'business', 'marketing') that were loaded with connotations they sought to resist. For example, students on this course are encouraged to consider how a 'social enterprise plan' might differ from a 'business plan' – emphasizing that there are differences between 'businesses' and 'social enterprises' that reside in the minds of practitioners.*
- b. *Participants felt that the complete absence of 'social entrepreneurial' skills (framed as 'identifying opportunities', 'seeing needs', 'creating markets', 'creating and reaching viable communities') was a weakness.*
- c. *The KSC was regarded as unnecessarily long and complex.*



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- d. *Participants felt that the complexities of pedagogy / andragogy / co-operative learning make it hard to pinpoint / state with any certainty how competencies are best acquired. This was emphasized by those who felt the variety of ways in which learning takes place is not captured in the questions asked.*
- e. *The more important 'skill' of 'increasing the capacity to learn and do research' is under-represented in the model.*



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