



WP.T1_CONTEXT ANALYSIS

A.T1.1_RESEARCH ACTIVITIES

D.T1.1.4 Regional Report_Slovenia
SASS

Version 1
12.1.2018

draft by:	<i>Tea Golob, SASS</i>	date:	12.1.2018	<i>version n° 1</i>
comments by:		date:		<i>version n° 2</i>
FINAL VERSION				
approved by:	<i>Tea Golob, SASS (WP.T1 leader)</i>	date:		



SUMMARY:

1. INTRODUCTION	4
2. METHODOLOGY	7
2.1 Quantitative part	7
2.2 Qualitative part	8
2.3 Stakeholder discussion.....	9
3. FORMAL LEGAL BASIS	10
3.1 Landscape of social entrepreneurship in Slovenia and identification of main problems.....	10
3.2 Analysis of legal conditions for training ICT skills of WISE's labour force.....	15
4. SURVEY RESULTS	17
4.1 The legal forms and statuses	17
4.2 Products and services.....	18
4.3 The overall conditions of WISEs.....	21
4.4 Work integration of vulnerable groups	23
4.4 Competences and skills of vulnerable groups	25
4.5 Managerial models	26
4.6 Managerial practices	28
4.7 Leadership and managerial ICT support systems	31
4.8 Marketing ICT support systems and tools.....	32
4.9 Production and service ICT support systems and tools.....	34
4.10 The condition of the equipment	35
5. INTERVIEWS RESULTS	36
5.1 Analysis of the code family: Advantage	38
5.2 Analysis of the code family: Disadvantage	42
5.3 Analysis of the code family: Education	47
5.4 Analysis of the code family: Tools and technologies.....	50
5.1 Selected case studies based on the interviews: good practices	53
6. STAKEHOLDERS MEETINGS.....	59
6.1 Participants	59
6.2 The meeting	60
6.3 Analysis	61
6.4 Results	62
7. SYNTHESIS OF THE RESULTS.....	70
8. LIST OF REFERENCES.....	72
9. APPENDIX.....	75
9.1 Questionnaire for survey with WISEs	75
9.2 Questionnaire for interviews with WISEs.....	80
9.3 Transcripts of the interviews with WISE	84

TABLE OF FIGURES

Figure 1: Legal forms of WISEs	17
Figure 2: Statuses of WISEs.....	18
Figure 3: Products and services covered by WISE with the starting years of their operation	19
Figure 4: Initiation of activities in different sectors by years.....	20
Figure 5: The level of development of WISEs services/manufacturing	21
Figure 6: Reporting profit or loss for 2016.....	22
Figure 7: Numbers of employees: total and vulnerable groups only	23
Figure 8: Experience with the work integration (employment) of vulnerable groups.....	24
Figure 9: Competences and skills of vulnerable groups	25
Figure 10: Managerial models.....	26
Figure 11: Managerial models applied in different sectors	27
Figure 12: Managerial practices	28
Figure 13: Managerial and leadership ICT support systems and tools.....	32
Figure 14: Marketing ICT support systems and tools	33
Figure 15: Production and service ICT support tools.....	34
Figure 16: The condition of the equipment.....	35
Figure 17: Category Group: Advantage	38
Figure 18: Disadvantage	42
Figure 19: Education	47
Figure 20: Tools and technologies	50
Figure 21: Company 1	53
Figure 22: Company 2	55
Figure 23: Company 3	57



1. INTRODUCTION

Work integration of disadvantaged groups - WISE, has become an important activity of social enterprises across Europe. It enables and encourages innovative ways of employment and integration of disadvantaged people, and thus it substantially contributes to social cohesion and inclusivity. The framework of the present study builds upon the previous reports by the European Commission (e.g. "A map of social enterprises and their eco-systems in Europe") revealing that business performance of WISEs is severely hindered by the lack of ICT tools and proper knowledge to exploit such technologies. The focus of the study is on the Slovenian national environment, and it aims to contribute to the solution of common territorial challenges of WISEs in Central Europe area. The main goal of the study is on the one hand to scrutinize how the lack of proper tools and competences impedes the growth of WISEs sectors, and what are the main factors influencing such conditions, and on the other hand, to offer concrete suggestions how to overcome such deficits. Based on the in-depth study of the WISE sector and wider business environment in Slovenia, the attempt is to recognise and select innovative solution and technologies that can be applied to WISEs and to determine shortages requiring such innovative approaches. As such, it will be contributing to the common transnational challenges of the area.

Social entrepreneurship has gained significant importance in developmental performances on different levels, e.g. local, national and the EU. It's crucial role in addressing contemporary societal and environmental challenges has been emphasised with recent global economic crisis severing the political and economic conditions (European Commission 2014). Subsequently, the need for more inclusive, sustainable economic solutions in business environment has become widely recognised in public support and initiative. New or adjusted legislations, business and civil initiatives have fuelled the emergence of the social enterprise sector in Europe, which is however despite certain common challenges, more a compilation of quite different national characteristics.

WISEs in Europe are quite heterogeneous implying no unified definition of the concept. As it has been shown (ŠENT 2014, 12-13), those enterprises differentiate across countries according to

- type of subsidies (permanent, temporary, self-financing)
- type of employment offered to disadvantaged groups
- intensity of trainings of working skills
- level of encouraging the sense of citizenship and empowerment (the extend of inclusion of disadvantaged groups into structures of enterprises)
- level of working integration and destigmatization
- integration goals
- type of trainings

Although there are various types of WISE, there are certain common points of the companies ensuing from the EU policy orientation (ŠENT 2014, 13-14):

- the integration is a commodity of countries and must be paid
- WISE companies should pursue social goals, so they should be financed by the state in different ways, including quotas
- WISE companies cannot and should not operate fully on the market. It is necessary to strike a balance between entrepreneurial freedom and social services, which are publicly funded.
- It is necessary to establish a quality system for monitoring the training and education of WISE companies
- the combination of temporary (subsidized) employment and permanent employment being a support to disadvantaged groups, are of great help to WISE.



Important actors of WISE are represented by enterprises for disabled, work centres and protective-work centres employing the most severely disadvantaged people.

In the Slovenian society, social entrepreneurship holds many different interpretations, which pose certain challenges in the growth and development of the sector. WISEs occupy quite contested position in that regard. On the one hand, social entrepreneurship is associated predominantly with disability enterprises, and different kinds of subsidies, while on the other hand, it is hardly associated with innovation, creativity and entrepreneurship spirit (Skok et al. undated). The Slovenian law on the matter (Social Entrepreneurship Act. 2011) strictly divides enterprises employing disabled people from social enterprises. In common public discourses, WISEs are thus deprived from real entrepreneurial spirit, which sets certain consequences in formal positions, as for instance positions on the market, and informal ways of business performances, such as specific mind-set and value orientation.

There have been different studies conducted on social entrepreneurship and WISE sector in Slovenia, revealing the state-of-the art by auditing secondary data and deploying primary research techniques (Adam et al. 2015), or focusing on particular topics, such as the legislation (Skok et al. undated) and education (ŠENT 2014), and other studies (Hrast et al. 2014; Kramberger 2010) etc. It has been shown how that the business, management and marketing skills of social entrepreneurs are of great importance in the emergence and running the enterprises. Also, concrete suggestions have been proposed how to increase the development of the sector. The present research takes into account previous studies, but however, in those reports, the ICT tools and the importance of technologically skilled labour force are mainly neglected. Accordingly, the specific methodology has been designed in order to meet the project's needs.

The present research is based on the Guidelines on Analysis Methodology, which was designed in the first three months of the project. All the data were collected between October 2017 and December 2017. Collection of data referred to specific thematic parts:

1. Background of the enterprises

According to the Social Entrepreneurship Act. 2011, there are different formal definitions of the social enterprises and WISE, affecting ways of receiving subsidy and public funds. WISEs also operate in different sectors and have different business priorities. This thematic part aimed to reveal background information of enterprises and get a sense of their developmental performances strategies.

2. Leadership and management

The purpose of this thematic part was to recognise managerial ways and skills, which are crucial for the successful running of the enterprises. They affect common working climate and values, encourage or impede initiative for innovations, education and trainings. They play crucial work in achieving competitiveness in the market, good financial results and also contribute to the common inclusive growth in the society.

3. Market and partners

The purpose of this part was to reveal the strategies of public cooperation and business connections. The aim was to recognise whether there are any efficient and strong linkages of WISE with different partners on local, national and also transnational level, and how this contributes to their growth and business employment. The focus was also on direct influence of such connection on vulnerable groups, their possibility of employment and working efficiency.

4. Marketing

The purpose of these thematic frame was to recognise various ways and the extend of the marketing techniques and practices in particular company. The focus was also on the linkage between marketing and ICT used.

5. Tools and technologies

The purpose of this part was to identify the extent to which ICT is known and used in the company. The focus was on the specific mind-sets of the management, encouraging or impeding the utilization of

technological innovations in the company. Further, we wanted to recognise how is this technology serving specific working areas in the company, and what part thus ICT play in working process of vulnerable groups. The aim was to determine not just the obstacles, but predominantly good practices and specific ICT used in order to achieve good business performance.

The main goals of the research are as follows (as determined in Guidelines of Analysis Methodology - D T 1.1.1):

Recognising formal-legal basis framing political, social and economic systemic environments of WISEs

determining specific managerial models and practices of the WISEs applied in relevant sectors

determining specific products and services

determining markets on which WISEs work as well as potential markets they could access

determining specific shortcomings in terms of technology, management and skills

determining tools (ICT based and other tools) and methods used on a regular basis in WISEs, such as:

- Management support systems/tools (HR tools, evaluation tools, project management tools, collaboration tools, promotional tools, ...),
- Information system tools (office automation, mail, ...)
- Internal process support systems and tools (workflow management, product design, eCommerce tools, call centre management,
- E-learning tools and document management tools
- Product and services support systems and tools - sector specific tools (agriculture, tourism, waste management and recycling
- Other tools and systems used in the WISE

Assessing the specific needs of WISEs for innovative technologies, managerial models and practices: both the needs explicitly expressed by WISEs and those recognised as relevant within our analysis will be considered

2. METHODOLOGY

In order to a) recognise specific managerial models and practices used in relevant sectors, b) to determine common products and services of WISE, markets on which WISEs work as well as potential markets they could access, and nevertheless c) recognise specific technological shortcomings, the study deploys various research techniques. The study leans not just on different methods, but it also combines different paradigmatic approaches to ensure a complete picture of the explored problem. A triangulation method has thus been used to approximate the results of research to the existing situation in WISE sector and, by combining various data sources, investigators, and methods and disciplines, it has provided comprehensive insight into the explored research objectives.

In this context, the research process has relied on the (1) methodological triangulation, which indicates the use of different methods in one study or the repeated use of a single method on different occasions in one study, and (2) the triangulation of data, which indicates the use of different types of data (qualitative or quantitative) that are compiled using different methods or a single one (Denzin 1978; Vogrinc 2008). During the research process, we cooperated with different actors (from business, HEIs, civil society and policy makers) and thus gained interesting insights into various fields of research.

In the beginning of the research, we deployed a compilation of secondary data and systematic audit of relevant documents, studies, documentation. This part of based on the desk research: reviewing relevant legislation, documents, existing studies for Slovenia and for the broader European context.

2.1 Quantitative part

Based on our desk research the quantitative survey questionnaire for the WISE representatives has been constructed in a way to cover all the key topics related to the goals of the work package. The **questionnaire** (provided in the appendix) consists of 18 questions and a range of sub-questions. The size of the questionnaire has been adapted both (1) to the need to cover all of the key issues and provide the most relevant data needed for the national report and (2) to get and maintain each respondent's full attention and focus throughout the questionnaire in order to provide valid responses. Based on the latter requirement, the questionnaire has been constructed in a way that it can be completed in a normal situation in less than 15 minutes.

The targeted population consisted of those Slovenian organisations that can be seen as WISEs, namely:

all enterprises for disabled (from the official records of the Slovenian Ministry of Labour, Family, Social Affairs and Equal Opportunities);

all employment centres (from the official records of the Slovenian Ministry of Labour, Family, Social Affairs and Equal Opportunities);

social enterprises (from the official records of the Slovenian Ministry of Economic Development and Technology) that have been identified as WISE, which according to the Slovenian legislation, corresponds to the "B" type social enterprises

other organisations, not a part of these records that but identified in previous research as WISE.

The key limitations regarding the access to the complete population has been (1) that the official records of the Ministry of Economic Development and Technology contain no distinction between the "A" and the "B" type of social enterprises and (2) that not all organisations that can be clearly seen as WISE have the formal status as such provided by the Slovenian legislation and official bodies. We have thus made the identification of the B type social enterprises and the organisations without a clear status in this regard based on our informants and previous research.

We have applied no particular sampling procedures for the social survey. Instead, we have targeted all of the available population as defined above. The difference between the population and the sample,



implemented through the survey, is thus only based on the actual response from the available population, not on any particular sampling procedures.

The respondents have been contracted:

primarily via e-mail, whenever e-mail contact information was available, and asked to complete the on-line questionnaire or

via classical mail, whenever e-mail information was not available; in this case, the respondents could either fill the on-line questionnaire or return an equivalent attached questionnaire in a printed version and send it via classical mail.

Software 1CS or 1KA (<https://www.1ka.si/d/en>) has been applied to administer the on-line survey. The questionnaire allowed the respondents to skip the questions they were unable or unwilling to answer.

41 valid responses from WISEs representatives have been received from 16 October till 8 December: 38 through the on-line version of the survey and 3 in paper form via classical mail. Typical profiles that answered the survey included directors, presidents, experts, HR managers, founders and coordinators.

The small sample size allows no statistical tests, since the results may be misleading in terms of their significance. Our analysis has thus been limited to the descriptive aspects, including the uni- and bivariate frequency distributions, central values (mean and median values when relevant) and key bivariate comparisons. Microsoft Excel software has been sufficient for these purposes.

At the end of the questionnaire, the respondents have also been asked whether they may also be invited to participate in the qualitative part of the survey. 14 positive replies were received and invited to the subsequent qualitative part of the research.

2.2 Qualitative part

The advantage of the qualitative research one can find in the in-depth interpretation of data obtained through opinions and narratives of respondents. Methodological sampling is usually non-standardised and purposive, as selected units are usually small. The selection of thematic orientations is framed with the theoretical definition of the examine case. The final interpretation is based on a consideration of different opinions and statements of respondents, which depend on their specific background, experiences, values and other characteristics pertaining to cultural, political and historical context. The research results are thus linked to the concrete time and space, in which the research has taken place. Accordingly, qualitative research provides the generalisation of result only on the level of theoretical discussion. The main advantage of such a research approach is however in understanding social processes enabling to give answers to - why is something as it appears to be. In that regard, qualitative research complements certain shortages of the survey, which elucidates certain conditions but without in-depth explanation, why is like that.

The sampling in this study proceeded in compliance with specific Slovenian situation. Sampling was adapted to specific situations. Thus, we attracted companies from legal categorisation social enterprises type B, work centres, disability companies and protective - working centres. Sampling was based on the responses to the survey, however, as only 10 companies agreed to participate in the qualitative research, we targeted companies also by using personal contacts, snow-ball sampling, and convenience sampling. WISEs were sampled from each of the following sectors: sustainable agriculture, sustainable tourism, waste management, recycling and re-use of waste and others if applicable (catering, other services, etc.)

In order to get relevant data, we used a uniform questionnaire and carried out 25 semi-structured interviews with different WISEs. The material was analysed on the basis of open coding using the Atlas.ti qualitative analysis software. The analysis of interview transcripts and participant observation field notes were conducted in three phases. The first one referred to the process of defining codes, which assign a summative, salient, essence-capturing attribute for a portion of data (Saldana 2009: 3). The main purpose of codifying is to arrange proposed notions into a systematic order, which can lead us to conclusions and



potential paradigmatic models. The second phase, therefore, comprised the categorisation of codes into categories and code families. In the third phase, we were engaged into the relational coding, in which we defined the contextual meaning of selected category within a whole scheme of qualitative study. The categorisation of codes turned out to be consistent with theoretical orientations.

2.3 Stakeholder discussion

The workshop for Slovenia took place in Ljubljana. The meeting engaged quadruple helix of actors (A1: industry; A2: experts, including interest groups; A3: policy-makers; A4: civil society) into a co-creative dialogue. Each actor provided specific type of content while drawing on inspiration from others, which enabled synergies in recognising technological and managerial skills shortages of WISEs

The selected stakeholders included:

Managers of successful SMEs in addressed sectors

Experts dealing with WISEs

Representatives of WISEs (managers and employees)

Public authorities (local, regional, national)

Interest groups including NGOs

Higher education and research

General public

Moderated debate was organised with the stakeholders, with an application of focus group techniques. The floor was given to five consecutive panels, each representing a group of stakeholders. Based on the debate, report with the qualitative analysis has been prepared.

3. FORMAL LEGAL BASIS

This chapter represents the analysis of the landscape of social entrepreneurship in Slovenia. The first part of the report offers the general overview of the legal framework of the Republic of Slovenia on social entrepreneurship as well as recognizes political, social and economic conditions for development of WISEs in Slovenia. The central aim is to identify the main problems regarding the growth of social entrepreneurship in Slovenia, particularly WISEs. The second part of the report tackles the issue of labour force's skills in WISEs, mainly in relation to the requirements posed by technological progress and economic innovation. In general, country reports on social entrepreneurship typically emphasize the relevance of business, management and marketing skills of social entrepreneurs for the successful emergence and running of their enterprises. However, those reports often do not raise the importance of technologically skilled labour force in order to ensure the efficiency and productiveness of social enterprises. This is particularly true for WISEs that are working for the integration of disadvantaged groups and often suffer from technological gaps. Thereby, the second part of this report offers the analysis of Slovenian legal documents in order to detect possible encouragements of labour force's technological skills in WISEs.

3.1 Landscape of social entrepreneurship in Slovenia and identification of main problems

The EU documents refer to social entrepreneurship when striving for the growth of social economy and social innovations, creating a favourable climate for social enterprises; for example: *European Platform against Poverty and Social Exclusion*, *The Innovation Union*, *Europe 2020 Strategy*, *Single Market Act - Twelve levers to boost growth and strengthen confidence*. The EU Operational Definition of Social Enterprise implies three dimensions of social enterprises (European Commission 2015):

1. Entrepreneurial dimension - social enterprises show the typical characteristics that are shared by all enterprises;
2. Social dimension - social enterprises pursue an explicit social aim; primacy of social aim over commercial objectives;
3. Governance dimension - social enterprises have specific governance structures to safeguard their social missions.

However, the EU legislation does not include an uniform definition of a social enterprise. Thus, the definition of the latter in the EU member states varies according to different factors and circumstances of particular country.

Table: Situation of the social enterprises in Slovenia in terms of achieving dimensions of social entrepreneurship

	Number	Annual revenue in billions EU	No of employees	Entrepreneurial/Business		Social		Government	
				Profit on a market	Employment	Social or environmental impact	The profit	Autonomy	Democratic leadership, inclusion of stakeholders
Registered social enterprises	56	6.2	cca. 240	+	+	++	++	++	++
NGOs	26.000	804	7.500	+	0	++	++	++	++
Cooperative	311	811	3.203	++	++	+	++	++	+
Disability enterprises	140	?	11.000	++	++	+	++	0	0



Employment centres	39	?	cca. 500	+	++	+	++	+	0
--------------------	----	---	----------	---	----	---	----	---	---

++ - predominantly true; + - partly true; 0 - mostly not true; ? - no data

Adapted Podmenik and Česnik 2015, pp. 47

The EU has funded several research project on the social entrepreneurship (see European Commission 2015), for example: Social Enterprise as Force for more Inclusive and Innovative Societies (SEFORIS); Enabling the Flourishing and Evolution of Social Entrepreneurship for Innovative and Inclusive Societies (EFESIEIS); Social Entrepreneurs as Lead Users for Social Innovation (SELUSI); The Theoretical, Empirical and Policy Foundations for Social Innovation in Europe (TEPSIE). Those projects are mainly focussed on understanding of social enterprises in Europe; fostering social entrepreneurship and social innovation; identifying the features of an enabling eco-system for social entrepreneurship; identifying constraints as well as contribution of social entrepreneurs to social innovation.

In Slovenia, the concept of social entrepreneurship is relatively new. It was hardly used until 2009 when an EU-funded pilot programme to support the development of social enterprise was launched (European Commission 2014). The legal basis for social entrepreneurship was established in 2011 when *Social Entrepreneurship Act* (2011)¹ was adopted. Social Entrepreneurship Act was followed by *Regulation on Determination of Activities of Social Entrepreneurship* (2012)² and *Rules on Monitoring Operations of Social Enterprises* (2013)³. The *Strategy for Social Entrepreneurship for the period 2013-2016* and related *Programme of Measures 2014-2015 for conducting the Strategy for Social Entrepreneurship* were lately adopted (2013). For the purpose of accountancy in the field of social entrepreneurship, Slovenian Accounting standards (2016) encompass "Accounting solutions in social enterprises". Several studies in the field of social entrepreneurship were conducted in Slovenia and their number especially increased from the adoption of Social Entrepreneurship Act on. Lužar Šajt et al. (2005), for example, offers an overview of existing conditions, activities and potential opportunities in relation to the development of social entrepreneurship. Spaer et al. (2010), European Commission (2014) and Adam et al. (2015) imply main challenges and problems in the development of social entrepreneurship as well. Further, Hrast et al. (2014) indicates the social impact of social enterprises in Slovenia. We will describe key facts and factors of the social entrepreneurship in Slovenia in the following paragraphs.

According to the Slovenian Social Entrepreneurship Act (Article 3), social entrepreneurship shall represent the permanent performance of social entrepreneurship activities or other activities, which are subject to special conditions of employment, in the manufacture and sales of products or the provision of services on the market, for which the generation of profit is neither an exclusive nor main objective. Slovenian legislation determines the main objectives of the social entrepreneurship: strengthening social solidarity and cohesion; promoting the participation of people; supporting voluntary work; improving society's capacity for innovation in addressing social, economic, environmental and other issues; ensuring the additional supply of products and services in the public interest; developing new employment possibilities; providing additional jobs and enabling social integration and vocational reintegration of the most disadvantaged groups in the labour market (Social Entrepreneurship Act, Article 3).

The social enterprise is supposed to pursue the following principles and requirements, which indicate its nature of public benefit and social contribution (Social Entrepreneurship Act, Article 4):

¹ This act includes content on general provisions, definition of social enterprise, operating conditions of social enterprises, an environment conducive to social entrepreneurship development, special incentives to social entrepreneurship, register of social enterprises, supervision, penal provisions, transitional and final provisions.

² This act specifically determines fields of activities for social enterprises (e.g. social care, family care, care of disabled; science, research, education and training; organization of youth work; social tourism, fair trade, ecologic production of food etc.)

³ This act determines the means of monitoring the activities of social enterprises and defines the bodies that are authorized for monitoring.



it is established by the voluntary decision of its founders (autonomous initiative);

its purpose is not solely to generate profit (non-profit purpose of establishment);

it is established with the main purpose of continuously engaging in social entrepreneurship or other activities with a view to employing the most disadvantaged groups in the labour market and thus serving the public interest (performance of activities in the public interest);

its members work voluntarily (voluntariness);

it is managed independently (independence);

the manufacture and sale of its products or the provision of its services in the market are largely organised according to market principles (market orientation);

it typically involves voluntary work (voluntary work participation);

individual founders or owners do not exercise dominant influence over decision-making;

decisions are adopted by all members according to the principle one member-one vote, and irrespective of their equity share (equality of members);

the stakeholders are involved in decision making (stakeholder participation in management);

assets, profit and surplus revenue over expenditure are used for the purposes of social entrepreneurship or other non-profit purposes, profit or surplus revenue distribution is not allowed or is limited in accordance with this Act (non-profit operation);

it provides for the transparency of its financial operation and for internal control over its inventory management and financial operations (operations transparency);

it permanently performs its activities for the benefit of its members, users and the wider community (operating for the public benefit).

Social Entrepreneurship Act (Article 8) indicates a clear distinction between two types of social enterprises:

Type A: social enterprises which perform *social entrepreneurship activities*⁴ and employ at least one worker in the first year of its operation and at least two workers in subsequent years;

Type B (work-integration social enterprises - WISEs): social enterprises which are established with a view to employing people from *vulnerable groups*⁵ and being engaged in a particular activity by permanently employing at least one third of these workers out of the total staff.

The Slovenian legal system does not provide the establishment of mixed type (A-B) of social enterprises. Project INNO-WISEs is focussed on the social enterprises of the type B. Besides, INNO-WISEs takes into consideration *companies for the disabled* and *work centres* that are going to be explained in the following two paragraphs.

Social Entrepreneurship Act enables the registration of social enterprises on a voluntary basis. The register currently includes 253 social enterprises (data on September 2017). Registered social enterprises are mainly

⁴ Social entrepreneurship activities are specified in Social Entrepreneurship Act (Article 5) as well as Regulation on Determination of Activities of Social Entrepreneurship (2012).

⁵ People from vulnerable groups are: persons recognised as disabled; unemployed persons having limitations due to physical, mental or psychological impairment or illness; long-term unemployed people (unemployed for the previous 24 months or more); first-time job seekers (unemployed persons registered with the Employment Service of the Republic of Slovenia for more than six months); some other unemployed people: older than 55 years of age, Roma community members, minors who failed to complete their primary or lower vocational education, people released from prison not more than one year ago and not engaged in regular paid employment for more than six months, persons on conditional release, refugees participating in integration programmes, persons in alcohol or drug addiction treatment programmes (up to two years after finishing such a programme), homeless people.



involved in the work integration programmes to help disadvantaged workers and vulnerable groups to enter the labour market (WISEs). Besides that, registered social enterprises also operate in environmental area, education, agriculture, retail, catering and health, family care, culture and arts, social protection (European Commission 2014). However, according to European Commission (ibid.), the current register does not cover the entire spectrum of social enterprises in Slovenia. This is partly due to the strict criteria to maintain the status of social enterprises and no public financial advantage offered apart from existing According to Ministry of Labour, Family, Social Affairs and Equal Opportunities (hereinafter: MLFSA) measures. This study estimates there are around 900 organisations which potentially fall within the EU operational definition (ibid.). Social entrepreneurs share the opinion, that legal framework in Slovenia offers demanding and strict conditions for operating the social enterprises, intertwined with insufficient flexibility of measures of active employment policy. Hence, Slovenian legal framework is perceived as a rigid one; the one that does not foster the growth of social entrepreneurship. Podmenik, Adam and Milosevic (2017) have identified different types of organisations in Slovenia that can be generally classified as social enterprises despite the fact that they are belonging to different socio- economic sectors: social enterprises registered under Social Entrepreneurship Act (associations, private institutes, cooperatives, and private organizations with limited liability); companies employing the disabled people and work centres; cooperatives; non-governmental organizations; companies with positive social externalities or social responsible enterprises.

Project INNO-WISEs focusses on officially registered social enterprises of the type B as well as on *companies for the disabled* and *work centres*. The latter two have a special legal status and under current legislation cannot be registered as a social enterprise (European Commission 2014). According to MLFSA, the reason for not allowing double registration is to prevent double funding as there is public funding for enterprises for the disabled and work centres available, provided by the *Vocational Rehabilitation and Employment of Disabled Persons Act* (2004; European Commission 2014). However, for the purpose of project INNO WISEs we cannot neglect the relevance of companies for the disabled and work centres as they are especially focusing on work integration of vulnerable groups of people.

Generally speaking, the negative effects of neoliberal policy have sped up the development of social entrepreneurship, which is spreading at a rapid pace in the entire Europe. The social economy offers new possibilities for the innovative employment of vulnerable target groups aiming to enable companies of this kind to independently generate revenue and survive (Trampuš, Cankar and Setnikar Cankar 2013). The revival of the social enterprise sector in the recent few years can be explained by the impact of the economic crisis leading to rising interest in alternative economic development models (European Commission 2014). Therefore, there is a big potential for further development of social entrepreneurship in Slovenia, which could help to diminish a problem of structural unemployment (Adam et al. 2015). A new type of social economy in Slovenia is evolving after the dissolution of the socio-economic self-governance system and the associated labour law of the former federal country Yugoslavia, of which Slovenia was one of the federal republics. Before 1990, Slovene citizens experienced both high levels of employment and social welfare services under self-managed socialistic communities and societies (Doherty et al. 2009). After the change of the economic system in Slovenia in the late 80ies and the loss of Yugoslav markets, unemployment in Slovenia increased substantially (Institute for Economic Research, Slovenia 2010). Hence, Slovenian citizens are still quite confused about the terms social economy and social entrepreneurship. This is partly also due to the fact that entrepreneurship during the transition became associated with entrepreneurs who had no social conscience (Doherty et al. 2009). Moreover, Slovenia is facing poor knowledge and lack of understanding of the concept of social entrepreneurship, its principles, goals and benefits; the concept of social economy is not widely known and accepted in Slovenian public (Macura and Konda 2016). Despite adoption of legal framework for establishment of social enterprises which is in accordance with EU regulation, Slovenia has not yet overcome the initial phase of the development of the social entrepreneurship, which lags Slovenia behind other EU members. This fact was, for example, confirmed by OECD project (Spear et al. 2010) and CIRIEC (2012).

For successful running of the social enterprises, proper entrepreneurial knowledge is needed. Unfortunately, social entrepreneurship sector is facing the lack of business knowledge, management and marketing skills as well as experience of social entrepreneurs. Therefore, there is a need to build supportive environment



for social entrepreneurship. Podmenik, Adam and Milosevic (2017) have identified three key levels of supportive environment for social entrepreneurship in Slovenia:

national level (effective implementation of legislation; systemic regulation and integration of social entrepreneurship in all key documents; interdepartmental coordination in the planning and implementation of policies and relevant operational program measures in different incentives for social entrepreneurship; guaranteeing proper fiscal incentives and tax exemptions; enhanced cooperation of state institutions with social enterprises and other organizations in the planning and implementation of measures to support the development of social entrepreneurship; raising awareness and knowledge on social entrepreneurship);

municipal level (integration of projects related to the social entrepreneurship into local development programs and establishing concrete incentives and resources for support of social entrepreneurship; ensuring the functioning of regional networks to support social entrepreneurship; activation of untapped local resources (land, buildings, equipment) held by the local community to support the social entrepreneurship; financial support to the employment programs of social enterprises.

organisational level (mostly NGO sector) which responds to the local needs.

Currently there are few supporting services in Slovenia (e.g. SPIRIT, CNVOS, Social Incubator, Successful Entrepreneur Institute, Fund 05 - Foundation for Social and Impact Investment etc.), which can equip social entrepreneurs with a proper business knowledge; help social entrepreneurs to develop business idea and design business plan; and consult them about other relevant issues regarding running a social enterprise. Having a need for business consultations, the social enterprises come across the financial issue, namely limited budget of social entrepreneurs and the lack of (private and governmental) investments in social entrepreneurship, which is one of the biggest problems of social entrepreneurship sector in Slovenia. In fact, the social enterprises are more likely to survive if there is the funding at the national or EU level available.⁶ In this regard, social entrepreneurs largely rely on subsidies for the employment of vulnerable groups. Measures and funding for fostering social entrepreneurship in Slovenia are primarily focused to Type B social enterprises (European Commission 2014). According to Macura and Konda (2016), Slovenia lacks mechanisms for financial investments in social enterprises. Social enterprises face difficulties to access to financial resources, which includes more favourable loans for employment, as well as providing guarantees and subsidies from the budget.

In Slovenia, there is certainly a problem from a systemic perspective as well. In 2011, the *Council for Social Entrepreneurship* has been established. Its main role is designing the social entrepreneurship policy, in cooperation with ministries, governmental organizations, municipalities, social partners and organizations of civil society. However, the cooperation between the institutions responsible for the development of social entrepreneurship is still insufficient (Macura and Konda 2016), which makes social entrepreneurship difficult to grow at the national as well as the local level. Furthermore, there is no proper statistical monitoring of the social entrepreneurship sector as a separate entity, therefore the size and structure of the social entrepreneurship sector can be given only on qualitative assessment (Podmenik, Adam and Milosevic 2017). There are also only a very limited number of public measures implemented in Slovenia which are specifically designed for social enterprises (European Commission 2014). Additionally, Slovenia consists of a large number of diverse organizations, fragmented across different sectors and lacks visibility as a homogeneous group (Podmenik, Adam and Milosevic 2017).

To summarize, the scope of legislation of the Republic Slovenia on social entrepreneurship, which is generally in line with the EU legislation, is very narrow and rigid. Social Entrepreneurship Act and other relevant legal documents, refer to a large range of administrative barriers that make social enterprises difficult to develop and grow. There is also a big concern in terms of insufficient understanding of social

⁶ An overview of national vs. EU funds as planned by Slovenian Programme of Measures for the period 2014 – 2015, for example, indicates 44% of the total funding covered by national funds and 56% by the EU (European Commission 2014).



entrepreneurship among the general public as well as financial issue and search for building supportive environment for development of social enterprises.

There are still numerous concerns regarding the functioning of social enterprises that are not tackled in the current legislation. One of them is definitely training of people from vulnerable groups in terms of their technological skills in order to ensure their efficiency and productiveness in social enterprises. This issue is discussed in the second part of this report. It is interesting that countries' reports on social entrepreneurship usually largely emphasize the relevance of business, management and marketing skill of social entrepreneurs, meanwhile those report do not expose the meaning of the skilled labour force in social enterprises. In this regard, SMEs in Central Europe, particularly WISEs currently face shortages, mainly in relation to the requirements posed by technological progress and economic innovation. This is particularly true for WISEs which are working for the integration of disadvantaged groups. They do often suffer from technological gaps due to low investment levels and lack of necessary skills. The next part of this report offers an analysis of legal documents in Slovenia in terms of detection of legal conditions for enhancement of technological skills of WISE's labour force.

3.2 Analysis of legal conditions for training ICT skills of WISE's labour force

ICT is becoming increasingly important for the establishment and effectiveness of social entrepreneurship. It is important to understand that ICT represents an added value for building and sustaining of social enterprise's competitiveness as well as an important tool for business strategy (Torres Coronas and Vidal Blasco 2013). Freeman and Freeman (2013) stress that with the evolution of ICT and the recognition of the humanity of individuals with disabilities, we are coming to a time of inclusion of all within our society. Through the utilization of ICT the individuals with disabilities gain a sense of self-worth and self-determination; and society gains through a more satisfied population and a more diverse and inclusive business sector (ibid.). Therefore, there is a need to search the ICT skills that are needed to develop in order to ensure engagement of the disabled into social enterprises and raise their productivity and effectiveness. This requires additional trainings of the disabled and their capacity buildings activities. According to Freeman and Freeman (ibid.), the need for technological training of ICT skills of disabled is clear, but only little research explore how this can be done in practical setting. This text offers an analysis of Slovenian legislation in order to show the current conditions for training of the ICT skills of disabled for conducting their work in WISEs.

There are some measures/incentives in place to support employment of disabled and other vulnerable groups in Slovenia (European Commission 2014). But for successful running of social enterprises, there are financial resources and subsidies needed for social enterprises that train people from vulnerable groups and enhancing their knowledge and skills. In Slovenia, encouragement of employment of disabled in social enterprises was one of the strategic goals (Strategic Goal No. 3) in accordance with *Strategy of Social entrepreneurship for the period 2013-2016* and *Program of Measures 2014-2015*. For this purpose, some of the foreseen measures included training and workshops for social enterprises of type B. More specifically, the activities encompass development of the model of workshops as well as the implementation of created model in the social enterprises. The purpose of these activities is to train unemployed disabled persons through workshops in order to improve their employment opportunities; increasing their competitiveness in the labor market; gaining and strengthening their skills. Workshops have been carried out in social enterprises of type B and non-profit legal organizations which operated as social enterprises of type B. The workshops have been addressed to vulnerable groups (target groups) that do not have employment opportunities due to their insufficient skills and work experience (see Program of Measures 2014-2015).

In order to develop the model of workshops, analysis of employment of vulnerable groups was conducted by Šent (2014), on the behalf of Ministry of Labour, Family, Social Affairs and Equal Opportunities of the Republic Slovenia. The research identified the digital literacy and computer knowledge as relatively important competences for carrying out the work in social enterprises, companies for disabled and employment centres. This research implies that ICT skills of disabled are not sufficiently developed and

trained. Similar results were brought up by the study in 2013 (Šent 2013), financed by European Regional Development Fund, focused on a supportive environment for the development of social entrepreneurship in Slovenia.

National guidelines to improve built environment, information and communications accessibility for people with disabilities (2005) aim to integrate the disabled to employment environment as well as society. Furthermore, *Guidelines for the Implementation of Active Employment Policy Measures for the Period 2016-2020* (2015) encourage the training and education of vulnerable groups but this document does not explicitly mention the disabled (but only unemployed people, young people and elderly). In accordance with the *Vocational Rehabilitation and Employment of Persons with Disabilities Act* (2004), a disabled person has the right to vocational rehabilitation. The latter include services that aim to qualify a disabled person for suitable work, to help to disabled to retain employment and to progress in terms of his/her professional career (Article 4). Finally, *Resolution on the Master Plan for Adult Education in the Republic of Slovenia for 2013-2020* (2013) specifies the disabled as a target group and aims to raise the digital literacy of the disabled and their integration in information society.

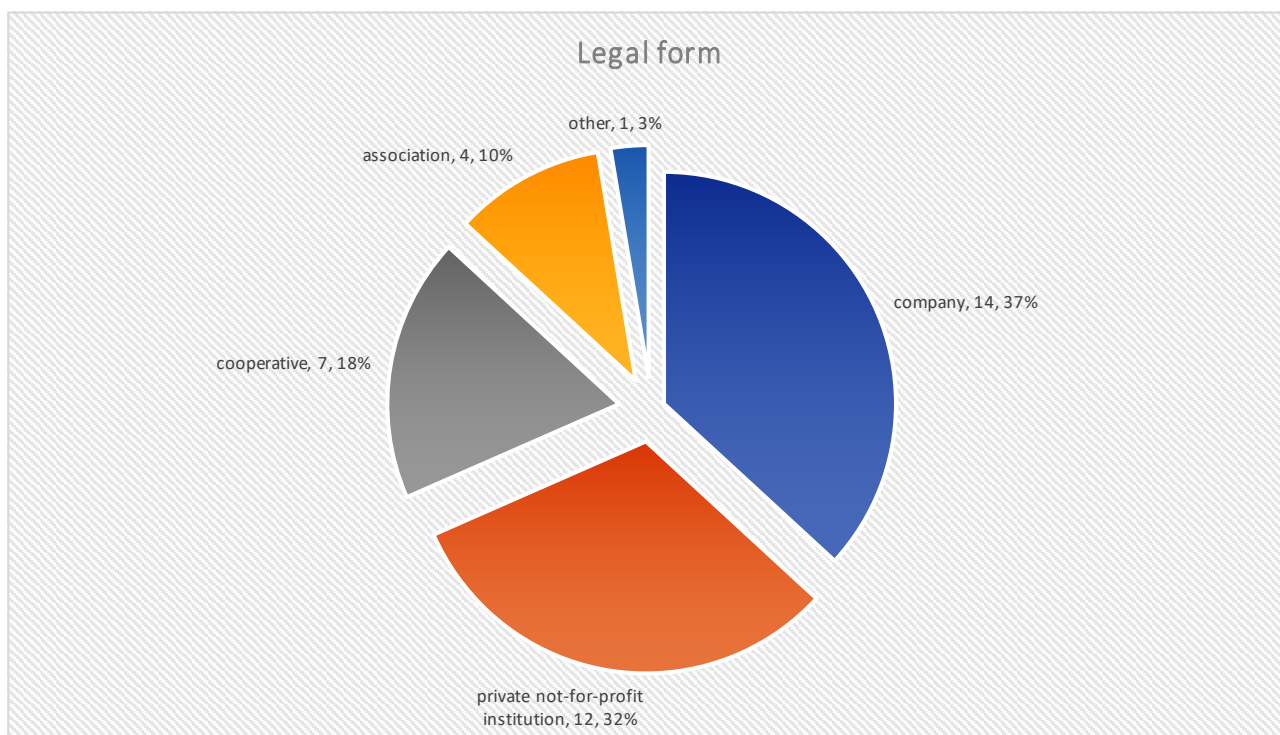
The range of Slovenian legal documents on the discussed topic is extensive. This report mentions only those documents that are the most relevant for the INNO-WISEs. All the legal documents mentioned above primarily strive to increase employability of the disabled, prevent the discrimination of the disabled at labour market and integrate the disabled into employment environment. For this purpose, some of the legal documents provide the rights of the disabled to their vocational rehabilitation, training and education. However, competences and skills that should be provided to the disabled during their trainings, are not specified. Hence, the only relevant research in this regard is Šent (2014) which exposes the list of the relevant competences and skills that should be foster in WISEs. Moreover, there are no legal documents as well as research in Slovenia that focus specifically on building ICT skills of the disabled person in the field of social entrepreneurship. This implies that project INNO-WISEs might largely contribute to the further development of social entrepreneurship.

4. SURVEY RESULTS

4.1 The legal forms and statuses

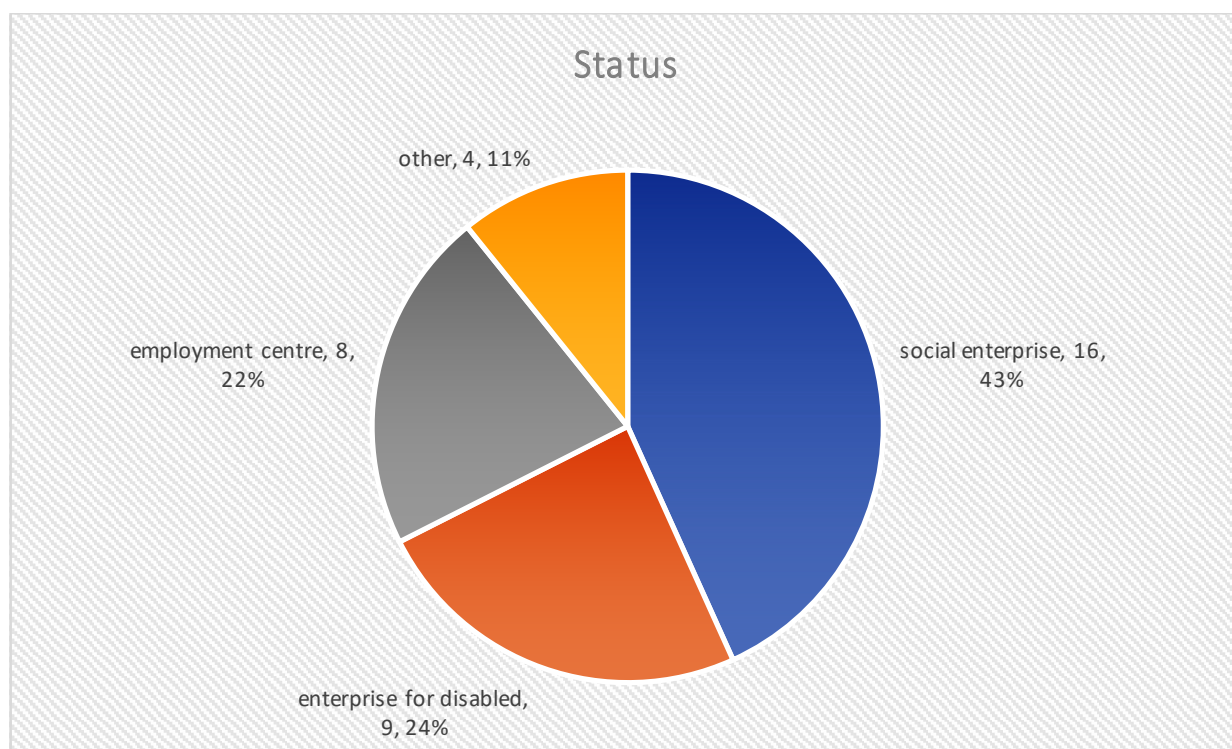
Most of the organisations included in our sample are companies (14 respondents or 37%), private not-for-profit institutions/societies (12 respondents or 32%) and cooperatives (7 respondents or 18%). The rest are associations (4 or 10%) or unspecified other legal forms (Figure 1).

Figure 1: Legal forms of WISEs



Furthermore, within the Slovenian legal regulation of social enterprises, we distinguish between different statuses of these organisations. Our sample included 16 companies with the social enterprise status (43% of the sample). While social enterprises typically (but not necessarily) employ vulnerable groups and thus function as WISE, enterprises for the disabled (“invalidska podjetja”) and employment centres are WISE by their very definition. Our sample contained 9 (24%) of the former and 8 (22%) of the latter. In addition, two respondents (presented as “other”) represented a WISE that is both an employment centre and an enterprise for the disabled. The other two organisations are a humanitarian organisation and a business system. The results are presented in Figure 2.

Figure 2: Statuses of WISEs



4.2 Products and services

Regarding the products and services they offer, Slovenian WISEs included in our sample, the most frequent are manufacturing (7 WISEs) and administrative and support service activities, also including translating services (7 WISEs). This is followed by:

education,

accommodation, foods services and tourism, and

agriculture, hunting, forestry and fishing,

each represented by 7 cases.

4 WISEs deal with water, sewerage, waste management and remediation activities and another 4 with professional, scientific and technical activities. Information and communication activities characterise 3 WISEs in our sample, while the other sectors are represented by less than 3 cases.



The presentation in Figure 3 also indicates the years when certain activities have been started. While darker colours indicate the older activities, the brighter indicate the ones that have been established more recently. It can thus be noted that wholesale and retail trade, construction, health and social services are the sectors where Slovenian WISEs have been present for a relatively long time. This is also mostly true for the manufacturing. On the other hand, information and communication activities have only recently become more relevant for the WISE operations. Similar can be argued for accommodation, food services and tourism, culture, transportation and storage, and other service activities. Other activities, mostly have their roots in the 2000s but have expanded even further during the current decade. This is typical for agriculture, education, water, sewerage and waste management, professional, scientific and technical activities.

Figure 3: Products and services covered by WISE with the starting years of their operation

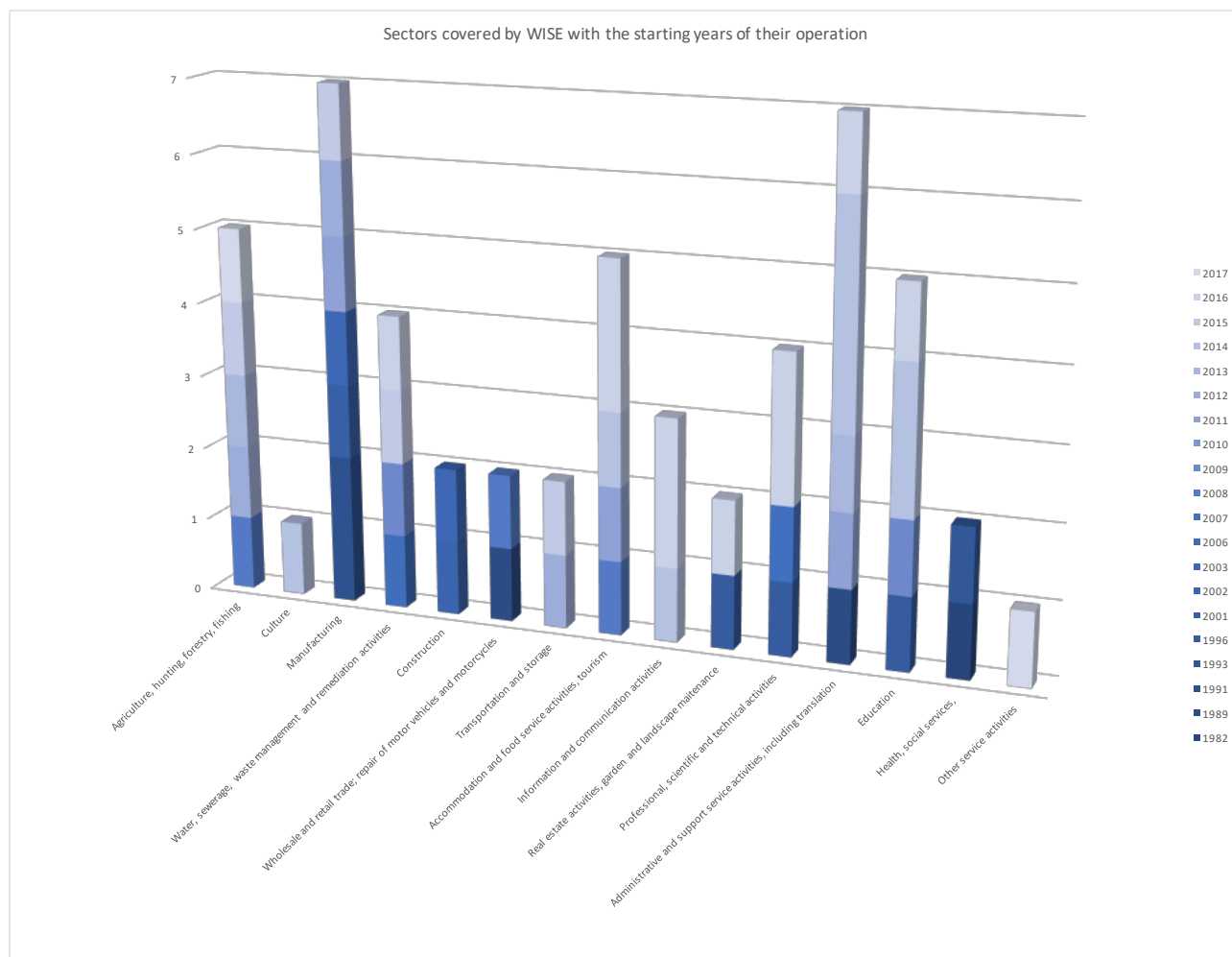
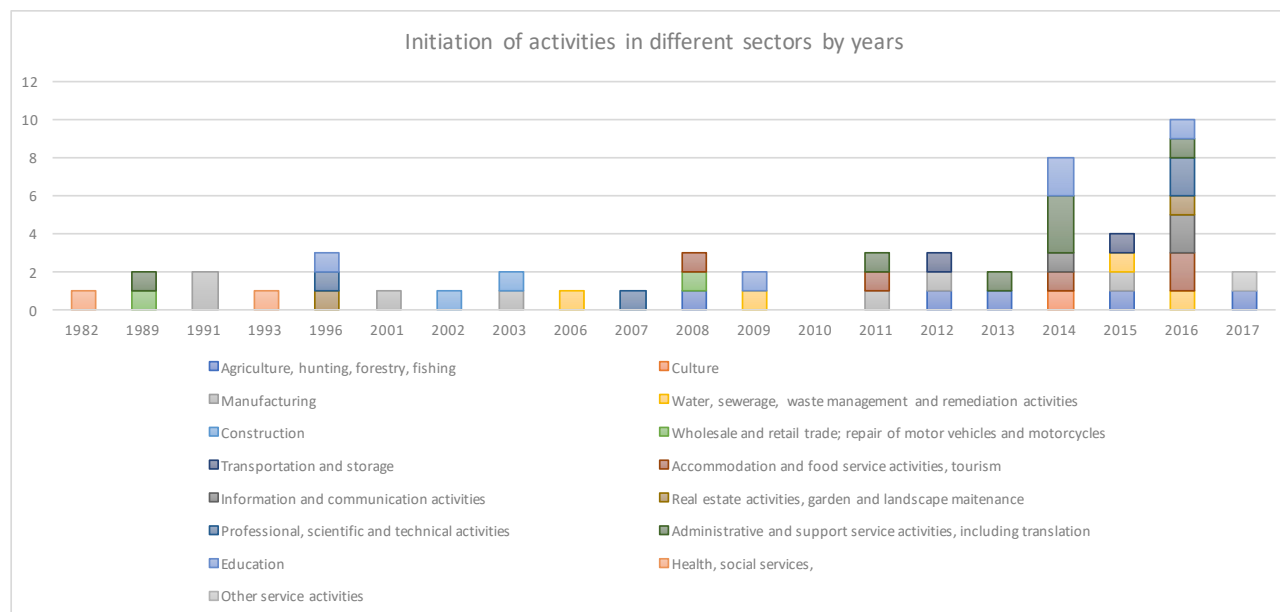




Figure 4 indicates the yearly dynamics of Slovenian WISEs in our sample while entering different sectors of operation. It can be noted that - in relative terms - most of the WISEs in our sample have initiated their activities after 2010. Only three sectors have been covered before the 1990s, and only in six cases activities have started during the 1990s. This is in line with the observation that the blossoming of WISEs and especially their proliferation to a broader variety of sectors has been a relatively recent phenomenon in Slovenia - mostly typical for the 21th century.

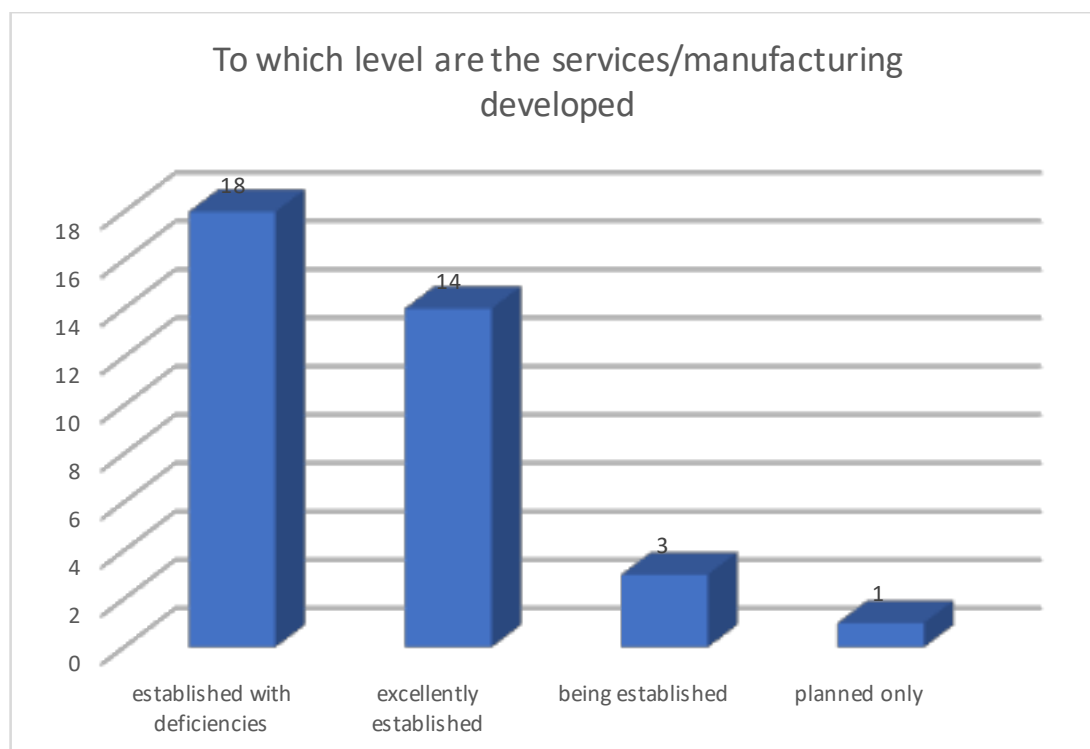
Figure 4: Initiation of activities in different sectors by years



4.3 The overall conditions of WISEs

In Figure 5, we indicate the level of establishment of the services or manufacturing for the WISEs in our sample. Most of the WISEs have already established their production or service: either with deficiencies (18 cases) or excellently (14). The rest are just in the process of establishing their services/manufacturing (3 cases) or are only planning it (1 case). It is important to note that half of the WISEs in the sample perceive deficiencies in their services/manufacturing, which clearly implies the space for improvement.

Figure 5: The level of development of WISEs services/manufacturing



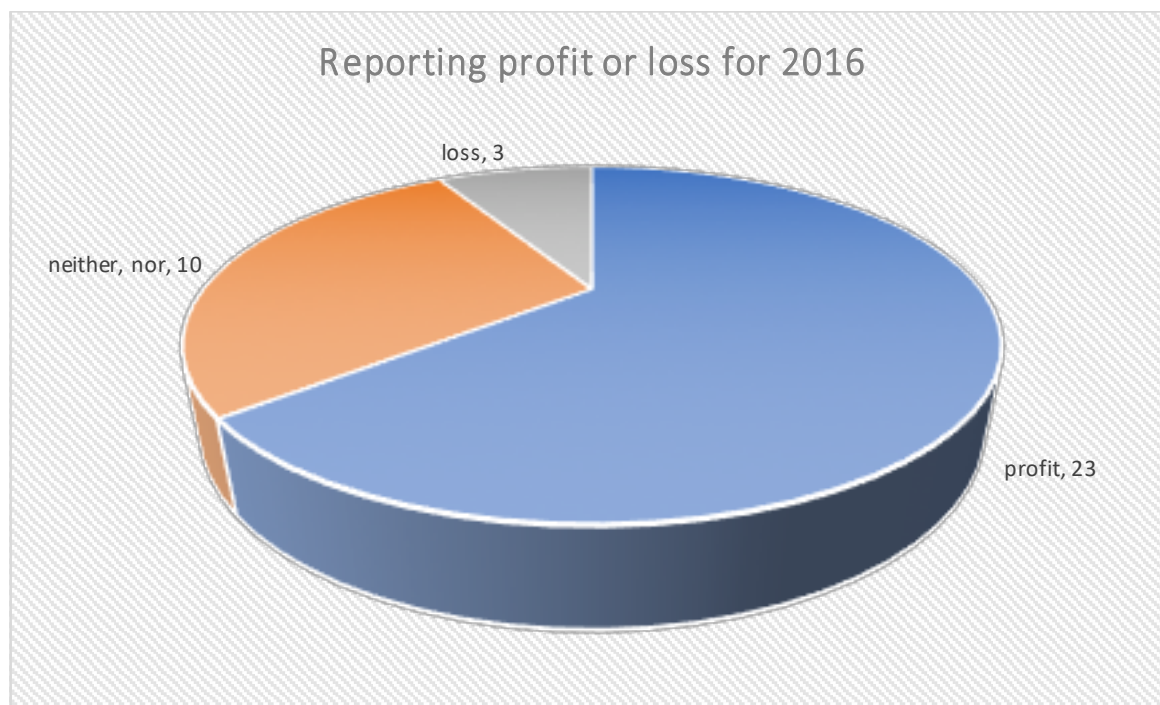
Since they are supposed to operate in the market, it is also significant how successful WISEs are in terms of profit. It can be noted that 23 (or 63%) of our WISEs completed their operations in 2016 with profit. Only 3 (or 8%) reported loss, while the rest (10 or 28%) reported neither significant profit nor loss. This indicates that the WISEs included in the survey have been relatively successful in financial terms (see: Figure 6).

Measuring the organisations' sizes in terms of capital turnover has been a challenge since Slovenian accountants are typically not used to apply this concept. Therefore, only 12 respondents provided (supposedly) realistic data in this regard, while the others either provided extremely unlikely values (i.e. significantly too small when compared to the number of employees - which we ignore for the purposes of this analysis) or provided no information at all.

The average capital turnover in 2016 was 612,250 EUR with the organisations varying significantly from the minimum of 30,000 EUR to the maximum of hundred times as much, i.e. 3,000,000. The standard deviation was 973,780 EUR or almost a million.

From the annual turnover perspective, all organisations included in the sample are micro or small enterprises - with no medium-sized enterprise included.

Figure 6: Reporting profit or loss for 2016



Regarding their size in terms of total number of employees, WISEs also differ quite significantly from each other: ranging from 8 with only one or two employees, to three with more than 100 employees. However, the overall size is small. Most of them (19) have no more than 10 employees and can thus be considered micro enterprises. Only two have more than 200 employees and the biggest one has 896 employees. The mean number of employees is 53, while the median is only 8 employees.

All employment data refer to 30 September 2017.

In terms of total number of employees, only one enterprise can be considered as medium sized, i.e. having more than 250 employees according to the Eurostat criteria. The rest can be considered as micro or small enterprises.

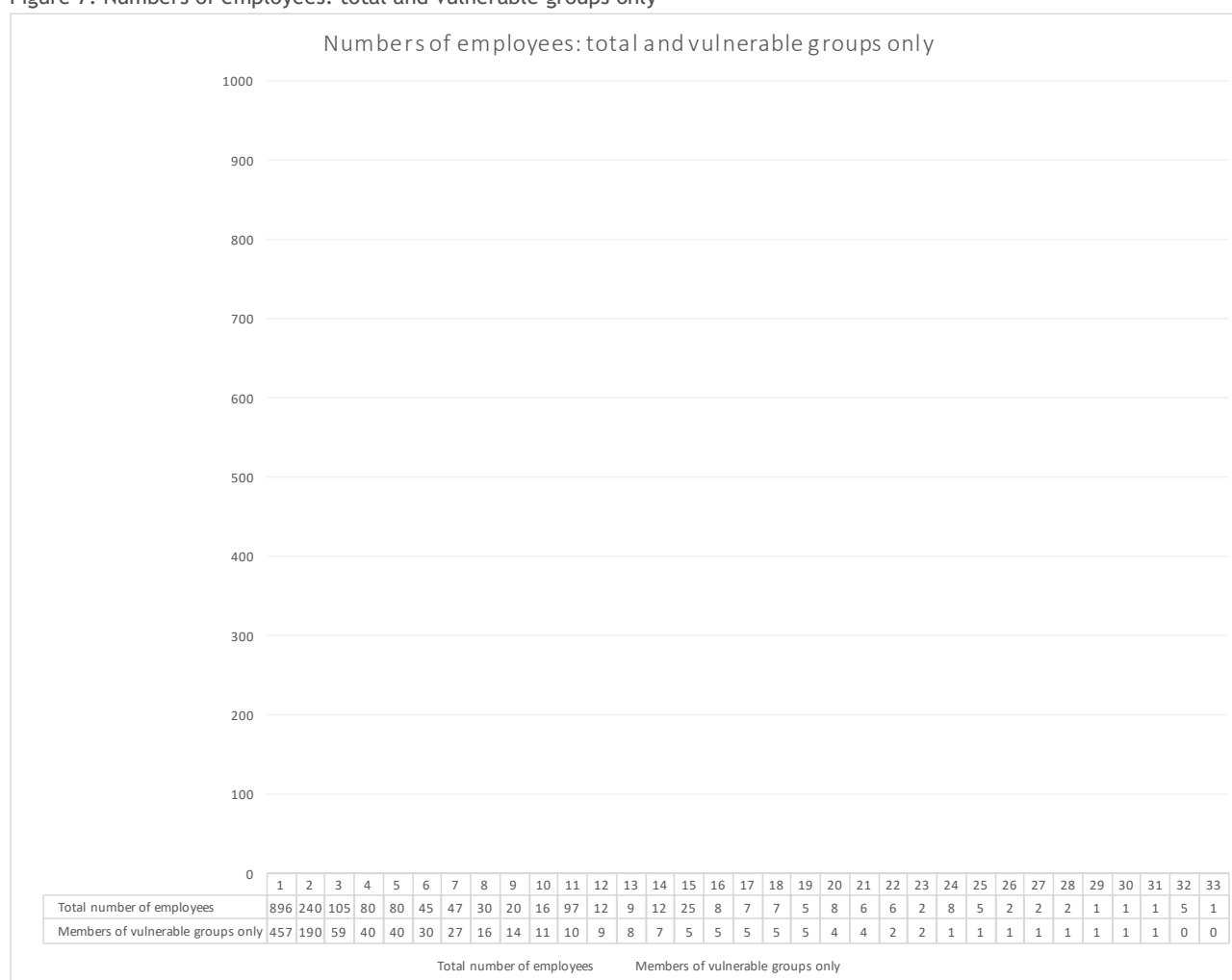
4.4 Work integration of vulnerable groups

The WISE representatives in the sample were also asked about the number of employees from on 30 September 2017. Both the total number of employees and the employees from the vulnerable groups include regular employees, contract workers, volunteers and trainees. 33 organisations from our sample who reported the numbers of their employees are listed in Figure 7. An average WISE from our sample has 57.4% members of the vulnerable groups within their total number of employees. (The corresponding median is almost identical to the mean value, i.e. 57.4, thus indicating a rather symmetrical distribution.)

Five enterprises in our sample employ *only* members from the vulnerable groups but all of them are micro-size enterprises. Two enterprises employed no members from the vulnerable groups on 30 September 2017: in the first case this may be a coincidence since they reported extensive experience with such groups, while the second case can be explained by the fact that they are only planning their production/service and have thus not started with their activities yet.

Since, we are dealing with micro and small enterprises, the absolute numbers of employees from the vulnerable groups are small as well. While the average WISE in the sample employs 29 employees from vulnerable groups, the corresponding median value is only 8. Only three WISEs in the sample employ more than 50 members of the vulnerable groups, two more than 100, only one more than 200.

Figure 7: Numbers of employees: total and vulnerable groups only





Most of our respondents (i.e. at least 80% of those who reported about this) have *at least some* experience with the work integration (i.e. employment) of long term unemployed, persons over 55 years old and first-time employment seekers.

The persons formally designated as disabled are the category, with whose employment most of the respondents have *much* experience. This is the case for 70% of those who responded to this question. Due to the Slovenian legal system with the strong emphasis on the enterprises for the disabled and the employment centres, which clearly encourages *specialisation* of these employers into the employment of the disabled persons, it is not surprising that most of the respondents in the sample have much experience with this category (while only two reported about “some” experience).

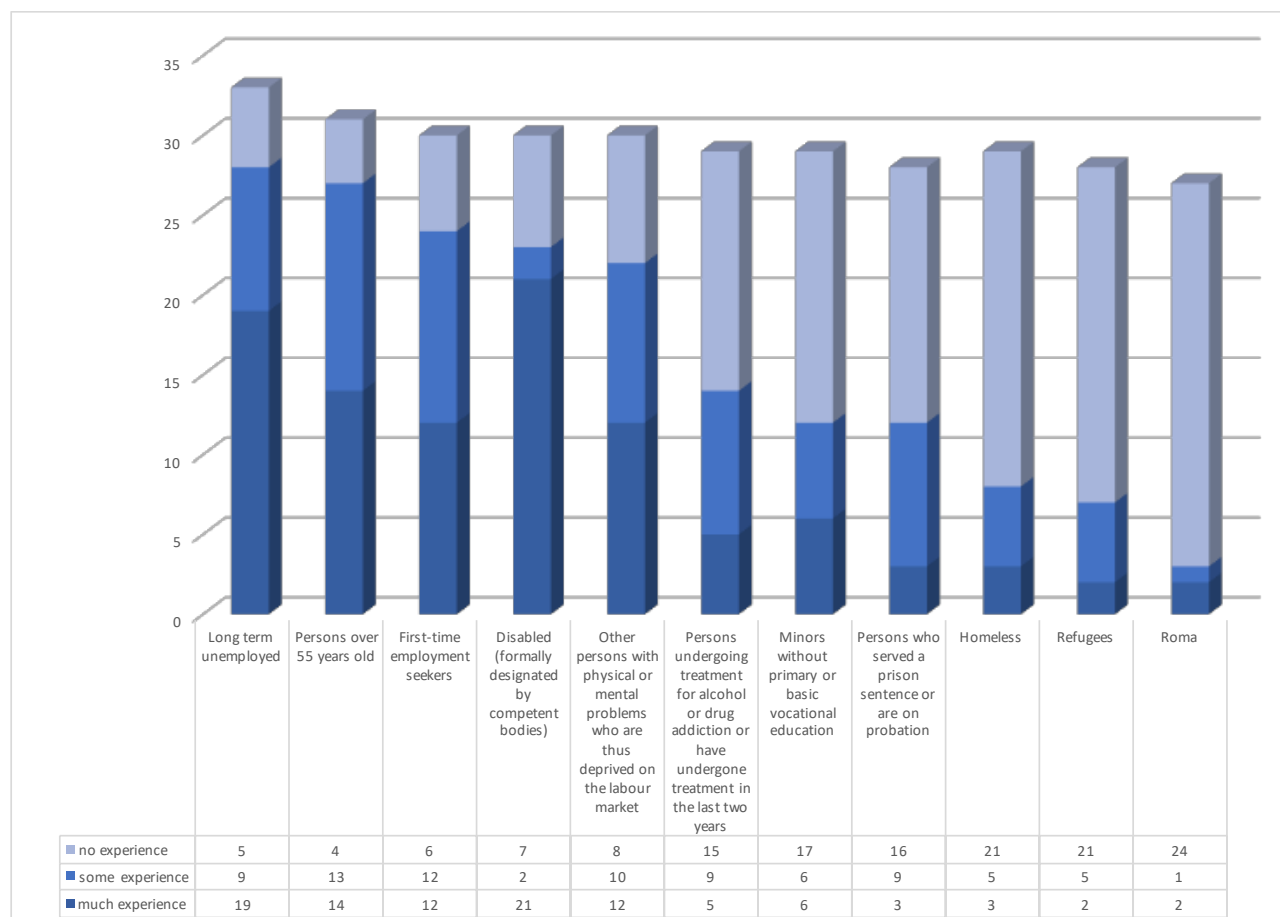
Experience with the persons with psychical or mental problems is less common: 73% of the respondents reported at least some experience, while 40% reported much experience.

Most of the respondents have no experience with other vulnerable categories specified in our questionnaire. 48% reported at least some experience with persons undergoing treatment for alcohol or drug addiction or have undergone treatment in the last two years, 43% for the persons who served a prison sentence or are on probation and 41% for the minors without primary or basic vocational education.

The lack of more systematic encouragement to employ such categories may also explain more modest experience with the employment of other vulnerable categories, i.e. the homeless (28% of respondents mentioned at least some experience), refugees (25%) and the Roma (with only 11% of answers indicating at least some experience).

The results are presented in Figure 8.

Figure 8: Experience with the work integration (employment) of vulnerable groups



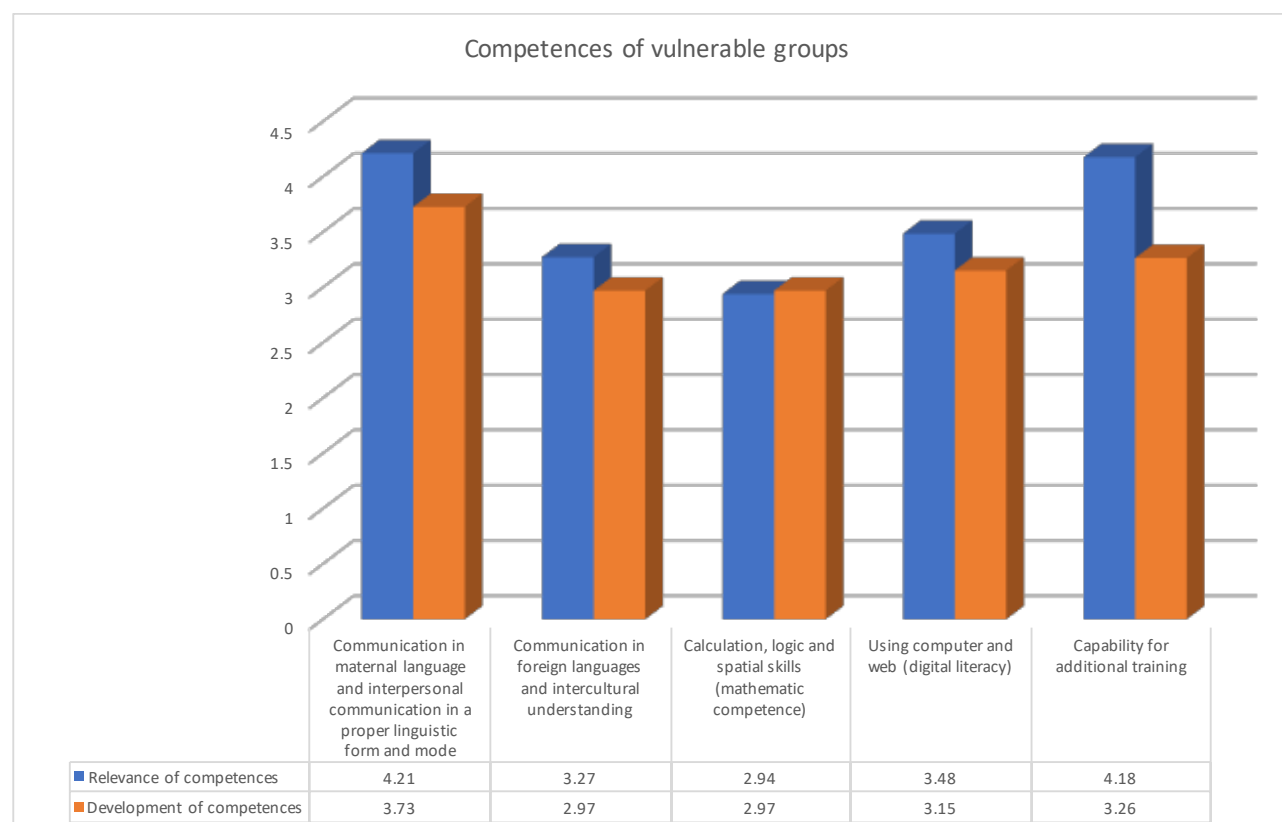
4.4 Competences and skills of vulnerable groups

The respondents were asked to evaluate for their WISEs the levels of relevance and the levels of development of five groups of competences among the vulnerable groups employed in their WISE. Both are evaluated on the scale from 1 to 5, where 1 signifies “completely irrelevant” or “not developed at all”, while 5 means “very relevant” or “very much developed” respectively.

Both aspects are combined in Figure 9. The competences recognised by our respondents as the most significant are communication in maternal language with interpersonal communication in a proper linguistic form and mode (4.21 at the scale from 1 to 5) and capability for additional training (4.18). It is interesting that digital literacy is considered as less relevant (3.48) than the former two competences. Communication in foreign languages and intercultural understanding are considered as even less relevant (3.27), while Mathematical competences, including calculation, logic and spatial skills, are considered the least relevant (2.94). These evaluations indicate that vulnerable groups are typically not supposed to acquire very demanding jobs in the WISE.

In principle, the levels, to which particular competences are developed, mostly corresponds to their relevance, i.e. the competences that are considered as the most relevant (communication in maternal language, capability for additional training and digital literacy) are also more developed than the ones considered as less relevant (foreign languages, intercultural understanding and mathematic competences).

Figure 9: Competences and skills of vulnerable groups



However, with the exception of mathematical competences, shortcomings can be noted between the required and the developed competences. Clearly the most significant shortcomings can be found regarding the capability for additional training, since the average level of development of this competence is only evaluated as 3.26. Relevant shortcomings can also be found when we compare the levels of achieved competences for communication in maternal language (3.73), digital literacy (3.15) and communication in



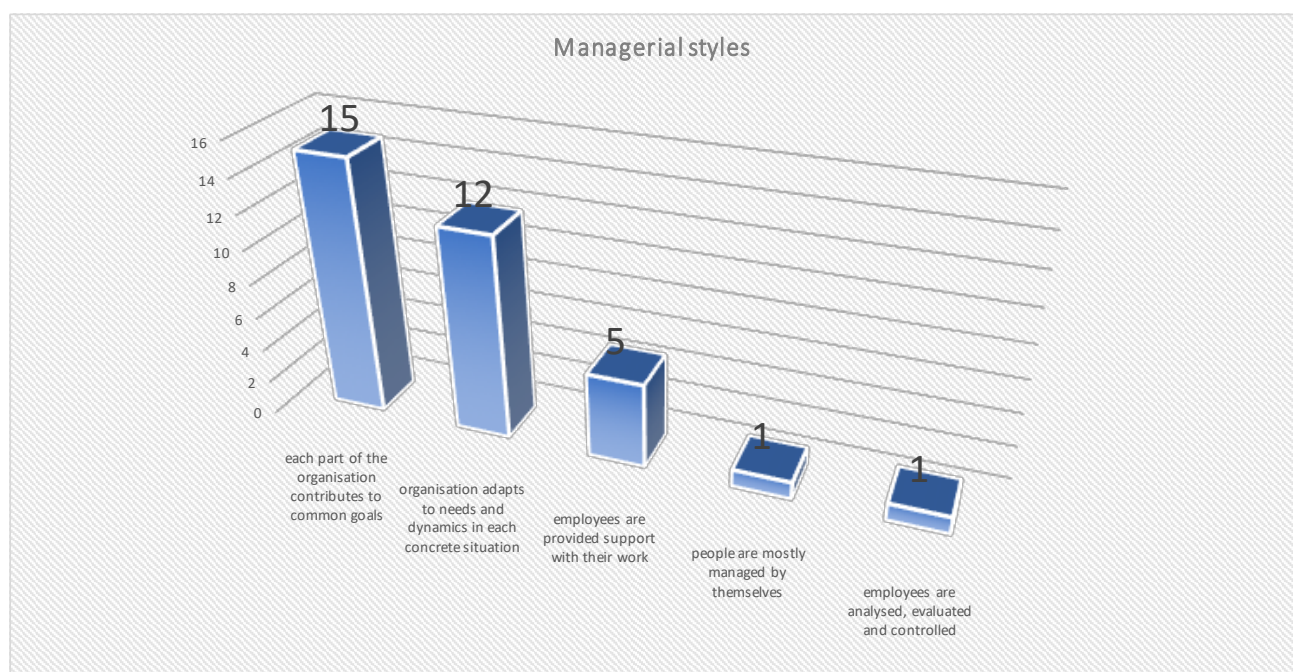
foreign languages/intercultural communication (2.97) with their respective evaluations of relevance. Encouraging additional training is clearly a crucial issue, while other competence gaps are also too significant to be ignored.

4.5 Managerial models

Respondents were asked to evaluate, which type of management contributes most to the success of their organisations. Two orientations clearly prevail: the achievement, goal-oriented, where “each part of the organisation contributes to common goals” (44%), and flexible, where “organisation adapts to needs and dynamics of each concrete situation” (35%). On the other hand, both extremes, namely the authoritarian one (“employees are analysed, evaluated and controlled”), and the laissez faire approach (people are mostly managed by themselves”), are clearly rejected by most respondents. See: Figure 10.

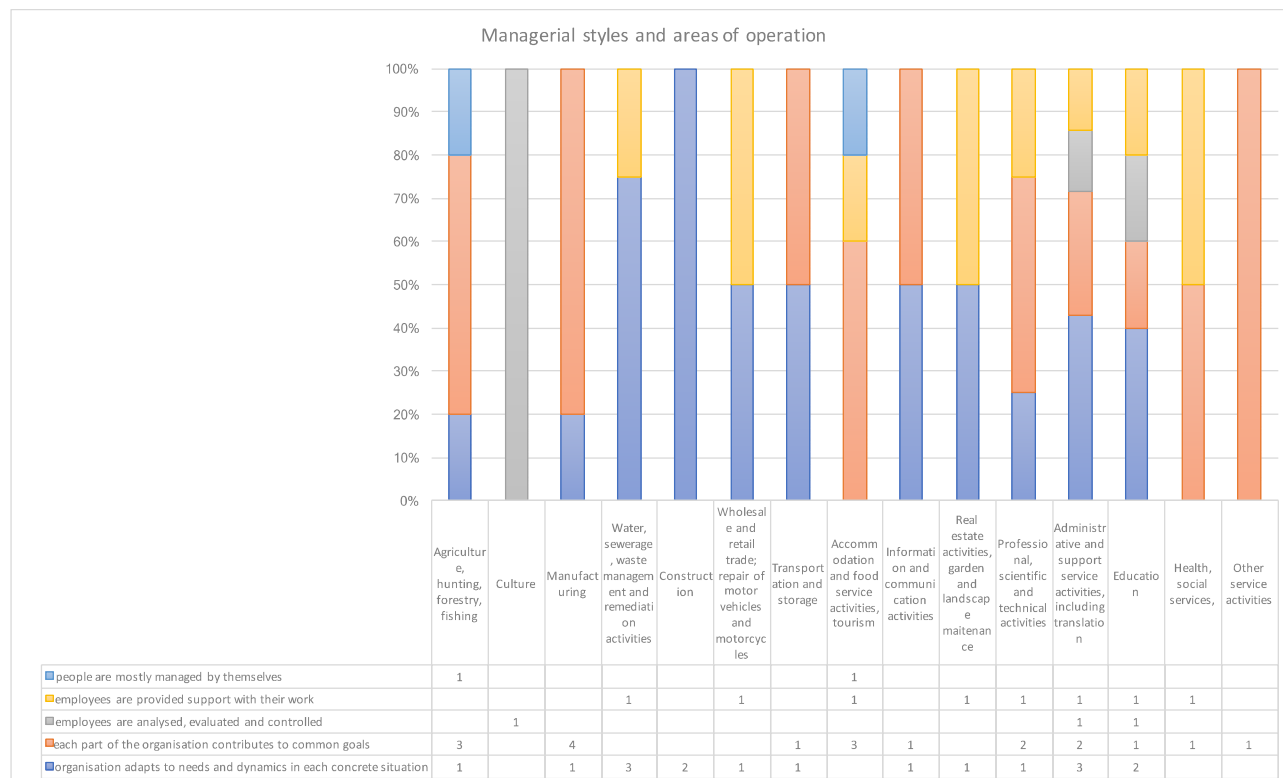
WISEs thus seem to be more achievement oriented and relying on flexible improvisation when necessary, then focused on their employees. Perhaps, this can be linked to the demands of surviving the market pressures and highly unpredictable environments.

Figure 10: Managerial models



We can also compare management models for different sectors or areas of operation as presented in Figure 11.

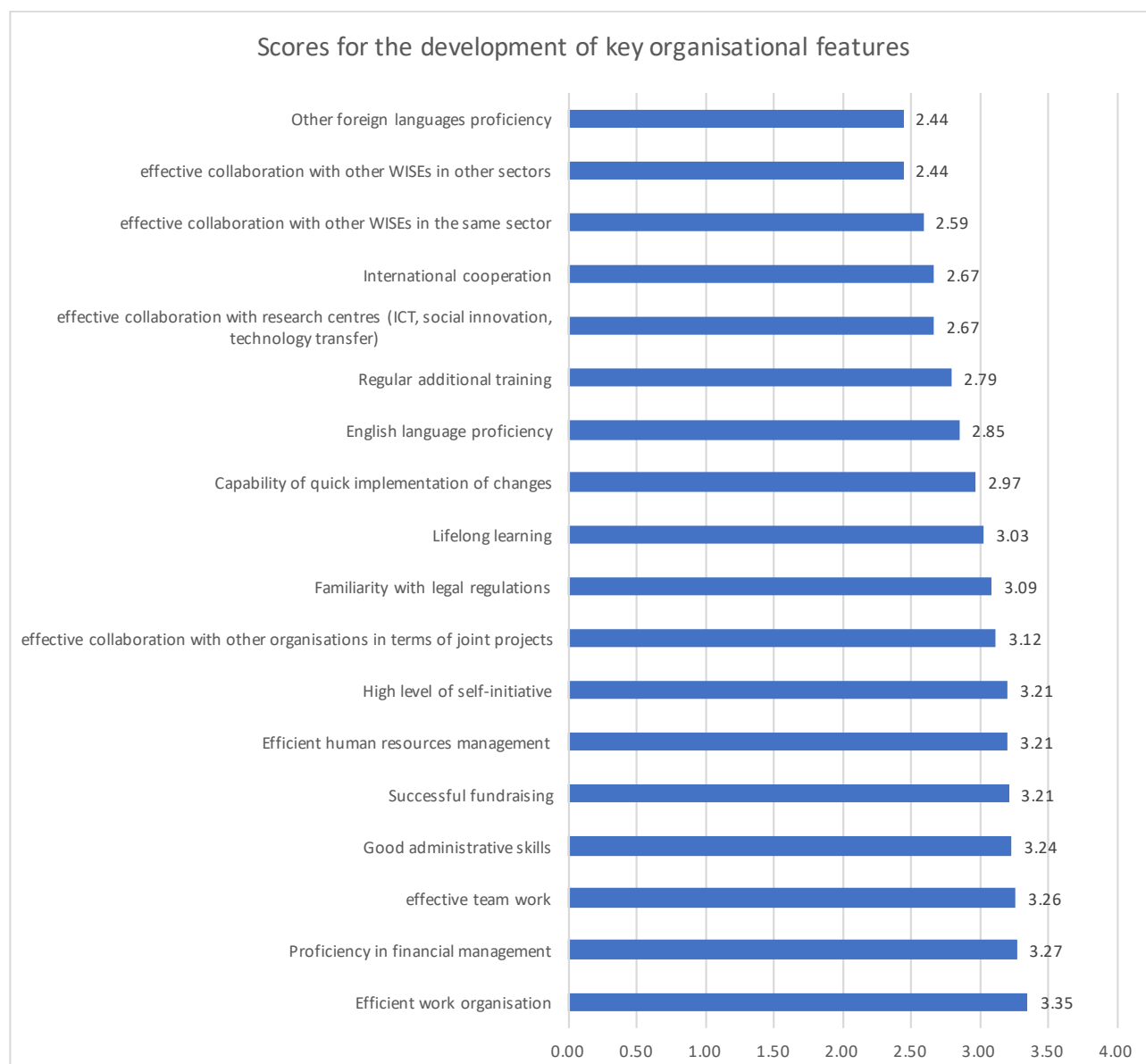
Figure 11: Managerial models applied in different sectors



4.6 Managerial practices

The respondents evaluate how much their WISEs are characterised by certain features related to organisation, management, learning, knowledge, administrative and financial skills on the scales from 1 (not at all) to 4 (very much). The results are presented in Figure 12.

Figure 12: Managerial practices



It can be observed that comparatively most developed features include efficient work organisation (3.35), proficiency in financial management (3.27) and effective team work (3.26). Typical organisational and financial skills are thus quite well self-evaluated. This is also true for good administrative skills (3.24) and successful fundraising (3.21).

Dealing with the employees, which should be critical for a successful work integration of vulnerable groups, is somewhat less emphasised but still comparatively well evaluated: it is typically evaluated by middle-level scores. This is the case for efficient human resource management (3.21) and lifelong learning (3.03).



Table 1: Sectorial distribution of managerial practices

	Agriculture, hunting, forestry, fishing	Culture	Manufacturing	Water, sewerage, waste management and remediation activities	Construction	Wholesale and retail trade; repair of motor vehicles and motorcycles	Transportation and storage	Accommodation and food service activities, tourism	Information and communication activities	Real estate activities, garden and landscape maintenance	Professional, scientific and technical activities	Administrative and support service activities, including translation	Education	Health, social services	Other service activities
effective team work	3,0	3,0	3	3,25	3	3	3	3,6	3,5	3,5	3,5	3,1	3,6	3,5	3
effective collaboration with other WISEs in the same sector	2,8	2,0	2,8	1,75	2	4	3	2,8	2,5	2,5	3	2,7	3	2	3
effective collaboration with other WISEs in other sectors	2,8	2,0	2,8	2	2	3,5	3	2,4	2	2,5	2,75	2,4	2,8	2	3
effective collaboration with research centres (ICT, social innovation, technology transfer)	3,2	2,0	3	2,5	2	2	3,5	3,6	4	2	3	2,1	2,8	2,5	3
effective collaboration with other organisations in terms of joint projects	3,8	3,0	3,25	2,75	3	2,5	4	3,6	3	3	3,75	2,7	3,6	3	3
English language proficiency	3,0	2,0	3,2	1,75	2	2,5	3,5	3,8	2,5	3	3,75	2,3	3,2	3	3

INNO-WISEs



	Agriculture, hunting, forestry, fishing	Culture	Manufacturing	Water, sewerage, waste management and remediation activities	Construction	Wholesale and retail trade; repair of motor vehicles and motorcycles	Transportation and storage	Accommodation and food service activities, tourism	Information and communication activities	Real estate activities, garden and landscape maintenance	Professional, scientific and technical activities	Administrative and support service activities, including translation	Education	Health, social services	Other service activities
Other foreign languages proficiency	2,8	2,0	2,6	1,25	2	2	3	3	2	2,5	3,5	2,1	3,2	2,5	3
International cooperation	3,0	2,0	3	1,75	2	2	3	3,4	2	3	3	2,1	3	2,5	3
Regular additional training	3,2	2,0	3,2	2,75	3	2	3,5	3,4	3,5	2,5	3,5	1,9	3	3	3
Lifelong learning	3,2	1,0	3	2,5	2,5	3,5	3,5	3,8	3,5	2,5	3,5	2,6	3,2	3,5	2
Capability of quick implementation of changes	2,8	2,0	3	2,25	2,5	3,5	3	3,6	3,5	3	3,5	2,4	3,4	3	2
Efficient human resources management	3,2	2,0	2,8	3,5	2,5	3,5	3	3,4	3,5	3,5	3,5	3,0	3,2	3,5	3
Efficient work organisation	3,0	3,0	3	3,75	3,5	3,5	3	3,4	3,5	3,5	3,5	3,4	3,4	3,5	3
High level of self-initiative	2,8	3,0	2,8	2,75	2,5	3	2	3,6	3	3,5	3,25	3,4	3,8	3,5	3
Familiarity with legal regulations	3,0	2,0	3	3,25	3,5	3	3	3,4	3	3,5	3,5	2,6	3	3,5	3
Good administrative skills	3,2	2,0	3,2	3	3,5	3	3	3,8	3	3,5	3,75	2,9	3,2	3,5	3
Proficiency in financial management	3,2	3,0	3,2	3,5	3,5	3	3	3,4	3,5	3,5	3,75	3,0	3,2	3	3
Successful fundraising	2,6	3,0	2,8	3,5	3,5	3,5	2	3,2	4	3	3,5	3,3	3,25	3	3



The least developed aspects are mostly related to various aspects of collaboration. While joint cooperation in terms of joint projects is modestly-well evaluated (3.12), other types of collaboration belong to the least developed group of features. This is true for collaboration with other WISEs, research institutions and international cooperation. The latter may also be limited by comparatively low proficiency in foreign languages.

Table 1 indicates the distribution of these organisational features among different sectors. While green colour indicates the most present features, the least present ones are presented in red colour. Unfortunately, the small sample size allows no statistical inference in this regard. The table may thus just provide some basic orientation while not allowing to draw any firm conclusions about cross-sectoral differences.

4.7 Leadership and managerial ICT support systems

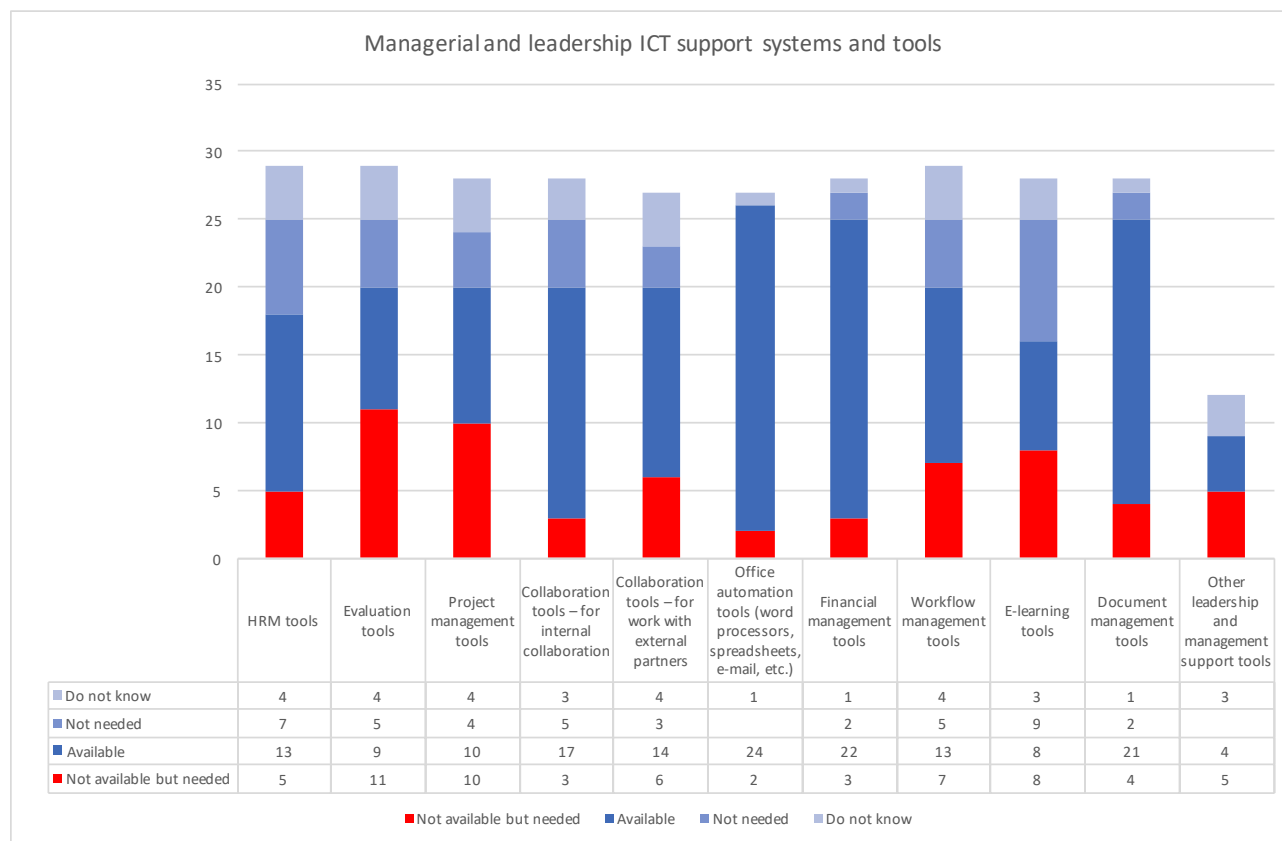
According to the survey responses, the most commonly present ICT tools and systems to support the leadership and managerial functions are classical office automation tools (especially word processors, spreadsheets, e-mail software; mentioned in 24 cases), financial management tools (21 cases), document management tools (21 cases) and internal collaboration tools (17 cases).

The most frequent shortcomings, on the other hand, can be found regarding **evaluation tools**, which are recognised as needed but not available by 11 respondents, **project management tools** (mentioned by 10 respondents), **e-learning tools** (8 cases), **workflow management tools** (7 cases), **collaboration tools to work with external partners** (6 cases). We may also note some need for HRM tools and other leadership and management support tools (both mentioned by 5 respondents). Among the latter, i.e. the other tools, the respondents specified registration of the work time for each person, planning and controlling tools, and ICT for specific services (without a clearer specification).

The results are presented in Figure 13.



Figure 13: Managerial and leadership ICT support systems and tools



The lack of evaluation tools is mentioned as a shortcoming by the WISEs operating in the fields of administrative, and support service activities (3), water, sewerage and waste management (2), information and communication activities (2), culture (1), manufacturing (1), trade (1), transportation and storage (1), accommodation, food services and tourism (1), professional, scientific and technical activities (1), education (1), health and social services (1).

The shortcoming regarding project management tools is mentioned by the respondents from the sectors of administrative, and support service activities (4), education (2), water, sewerage and waste management (2), accommodation, food services and tourism (2), trade (1), culture (1), manufacturing (1), transportation and storage (1) and IC activities (1).

4.8 Marketing ICT support systems and tools

Among the marketing support ICT systems and tools, tools for communication with customers are recognised as the most commonly available (by 19 respondents). Promotional support tools are mentioned quite often as well (15 respondents) as available.

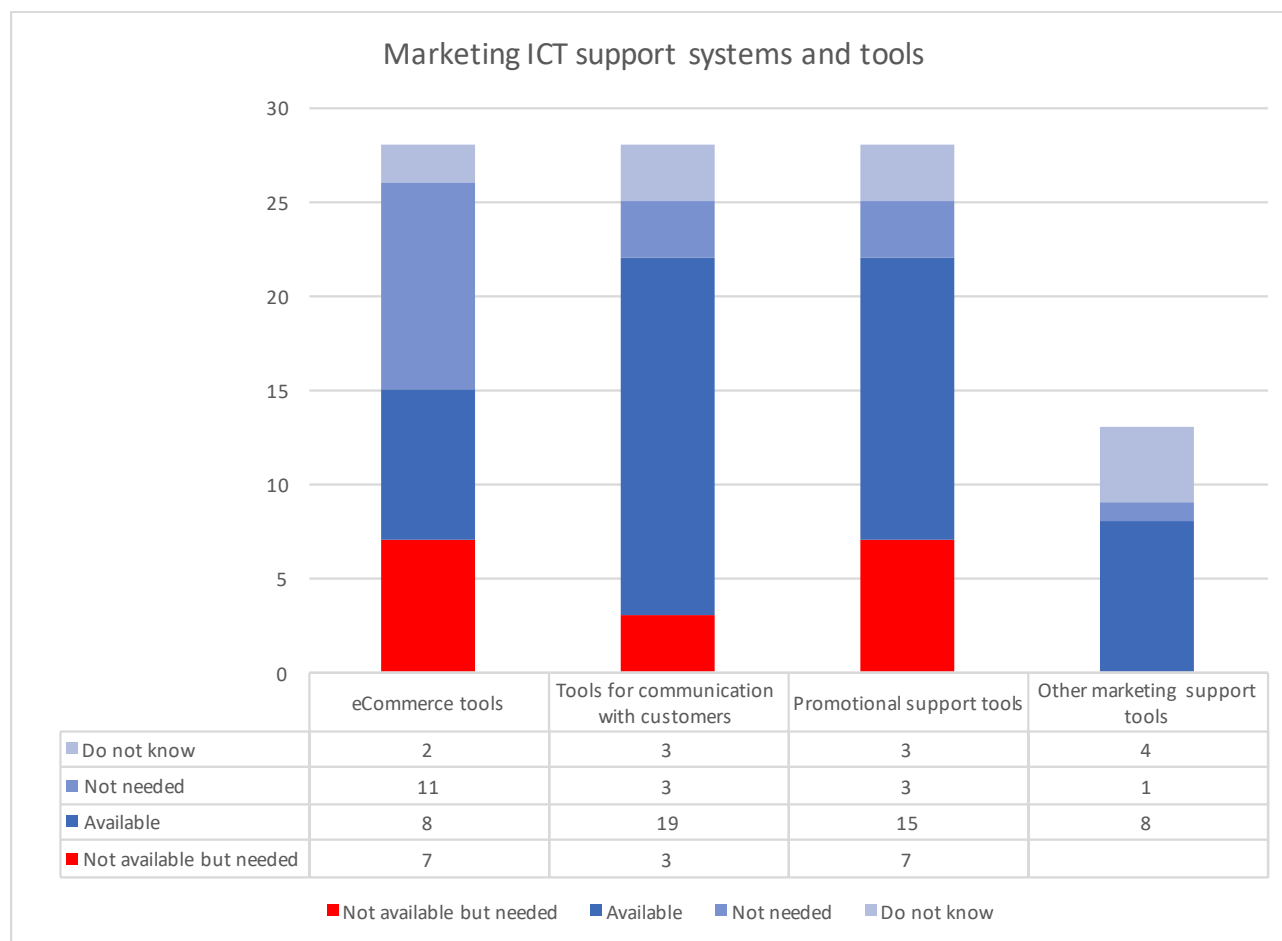
The latter, i.e. **promotional support tools**, are also recognised as unfulfilled need by 7 respondents. An equal number of respondents also mentioned a deficit regarding **e-commerce tools**. These two groups of tools/system would thus require a special attention in this field.



Among other marketing support ICT tools, the respondents mentioned CRM software, as well as Google and Facebook.

The results are presented in Figure 14.

Figure 14: Marketing ICT support systems and tools



The lack of the needed e-Commerce tools is mentioned in accommodation, food services and tourism (3), manufacturing (1), professional, scientific and technical activities (1), administrative, and support service activities (1).

The need for promotional support tools is mentioned in the fields of accommodation, food services and tourism (2), health and social services (2), water, sewerage and waste management (1), information and communication activities (1), professional, scientific and technical activities (1), administrative, and support service activities (1).



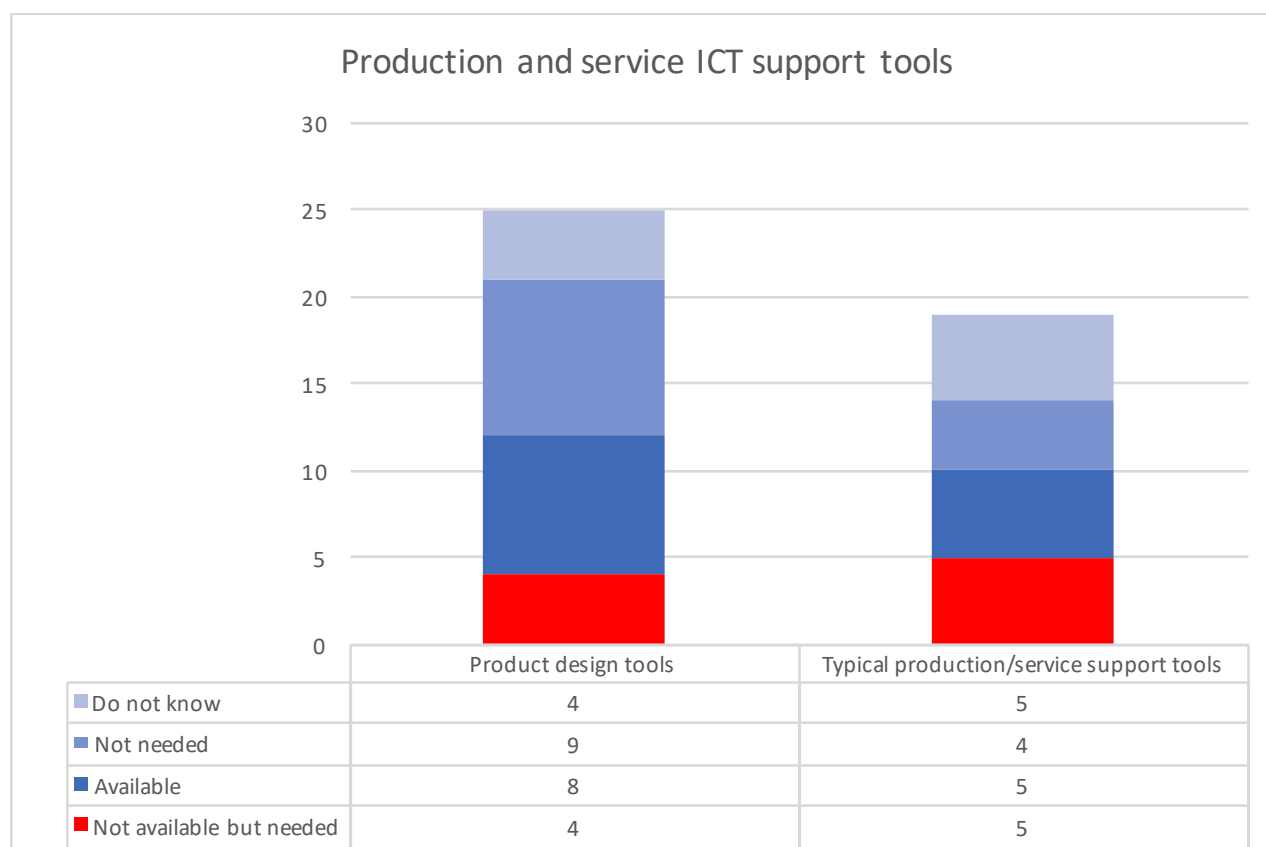
4.9 Production and service ICT support systems and tools

Product design ICT support tools are either available or irrelevant for most of the WISEs in our sample. However, four respondents reported that they do not have these tools but would need them.

On the other hand, five respondents reported that they lack typical ICT support tools for their production or service. None of them specified, however, what precisely they would require. The ones that did specify, what of the available tools they use in their production, mentioned AQui, special professional software in the industry and production software.

The results are presented in Figure 15.

Figure 15: Production and service ICT support tools



The lack of the required product design tools is mentioned in the sectors of water, sewerage and waste management (1), information and communication activities (1), administrative and support service activities (1), health and social services (1).



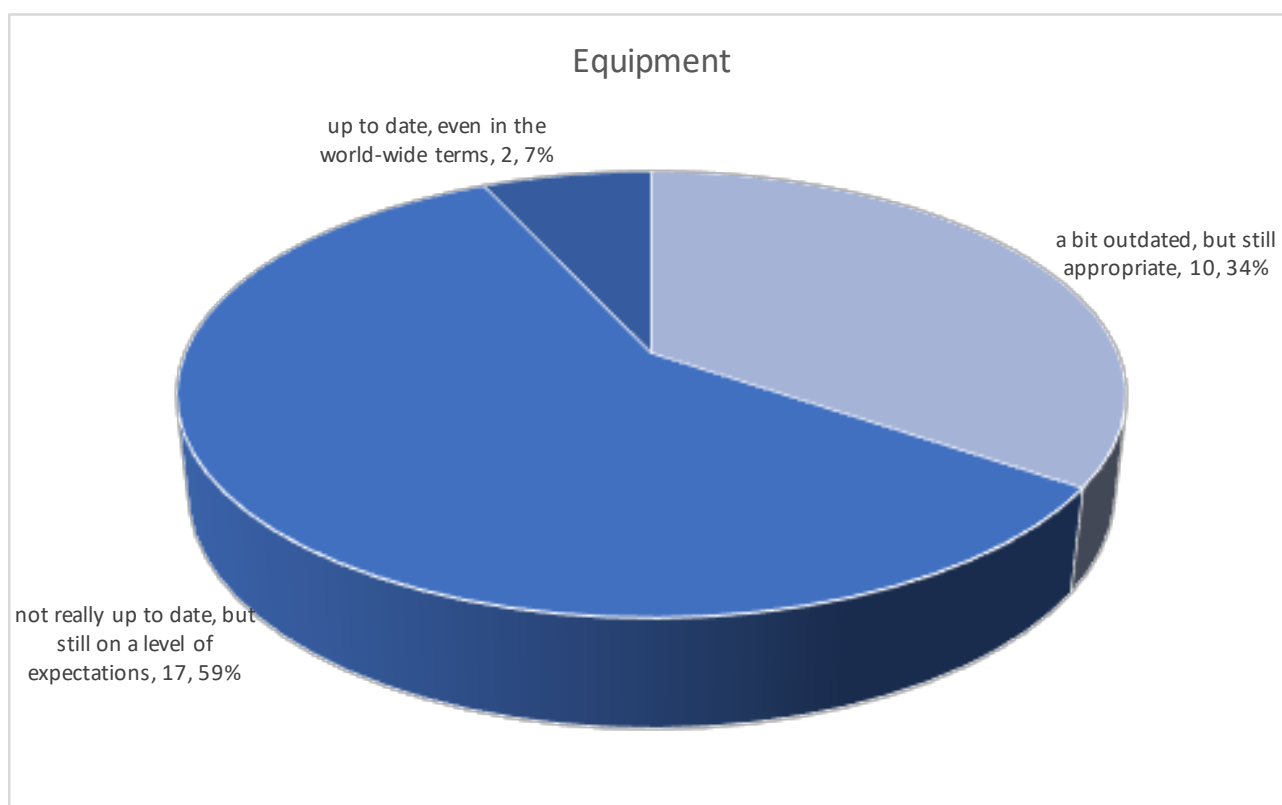
4.10 The condition of the equipment

When asked about the condition of the equipment needed for their production, the respondents from WISEs most typically replied that it is not really up to date but still in line with the expectations (17 respondents or 59% of those who answered this question). 10 respondents (or 34%) claimed that it is a bit outdated but still appropriate. Only two responds described their equipment as up to the, “even in world-wide terms”.

However, nobody claimed that their equipment was “completely outdated”

The results are presented in Figure 16.

Figure 16: The condition of the equipment





5. INTERVIEWS RESULTS

The interviews were conducted with 25 WISEs. Our respondents were mainly directors or other representatives of WISE employed in management. Interviews were transcribed word-for-word into Microsoft Word documents in Slovenian. Transcripts were not sent to participants for authorization. Transcripts were analysed by using Atlas.ti, which is a qualitative data analysis software. Firstly, we determined coding units, which were in line with thematic parts and goals of the study. They are:

leadership and management (including general information of the company);

market and partners;

marketing,

tools and technologies.

Thematic units were then analysed by using open coding techniques enabling to generate initial categories. These categories were then combined into meaningful themes based on selective and axial coding.

We analyse: (1) specific managerial models and practices used in relevant sectors; (2) products and services; (3) Needs answered; (4) markets on which WISEs work as well as potential markets they could access; (5) Specific technological shortcomings. These analyses are represented through four code families:

1. **Advantage:** This category group encapsulates the positive strategies, performances and value-orientation in all selected topics. It represents good practices either in management, market and technological performances or all together combined, which can be applied to other WISEs. The criteria of “positive” is based on the assessment of their performance referring to three dimensions of social enterprise, that is a) social dimension - an explicit and primary social aim; b) entrepreneurial dimension - continuous economic activity and c) governance dimension - limits on distribution of profits, organisational autonomy and inclusive governance (European Commission 2014). As majority of respondents do not meet the third criteria, the social and entrepreneurial dimensions played a more important role in the analysis. This category also includes codes referring to explicit suggestions and statements of good practices proposed by respondent themselves and their own assessment of their business performance, marketing strategies, management and ICT tools.
2. **Disadvantage:** This category group refers to the specific problems and obstacles hindering successful performance of WISE. The category group is mainly based on respondents’ statements and assessments of factors hindering the growth and development of particular WISE. It elucidates certain aspects of a) policy and legislation, b) public support, c) networks and mutual support mechanisms, d) lack of investments, e) specific value orientation and predominant public discourses
3. **Education:** This category group embraces code and categories representing special needs for trainings and learning. It specifically refers to the lack of entrepreneurial and business skills at managerial level, and also to the lack of other competences and skills of management, administration and of vulnerable groups in the particular WISE as recognised by our respondents. This category group is related to all thematic parts and objectives of the study, and comprises categories and codes, which in the analysis represent some of the building blocks of further



project activities such as building project strategies and tools for improving managerial competences for WISEs, competences and skills of vulnerable groups and knowledge of other relevant stakeholders.

4. **Tools and technologies:** This category comprises information regarding the a) existing ICT as claimed by respondents referring to management, marketing, financial issues, education or other aspects of WISEs performance; b) ICT needs as recognised by respondents, which would facilitate and improve their working process, enable scaling up and managing more professionally their products and services, enable connections with business partners and customers and integrate vulnerable groups into work; c) obstacles referring to the lack of knowledge and financial resources entailing the fact that WISEs very often lack the expertise to be able to use and fully exploit such technologies.

In order to provide a coherent picture of the key elements of collected data and information, three companies are emphasized in the analysis. Those companies are represented as category groups per se. They are all very successful on the market, pursue social mission, and they already have certain experiences with innovation, ICT tool and models. Relevant codes and categories are linked to the main thematic parts and objectives of the study.

WISEs participating in the study are quite heterogeneous. Their legal form and status reflect the rigorous legislation and often insufficient definition what comes under the umbrella of social entrepreneurship and WISE as such. In the field of social entrepreneurship one can find different definitions (Adam 2015), which often overlap: a) organisations of social economy such as NGOs, cooperative, disability companies and employment centres; b) social enterprises with the status of independent entrepreneur, which often come from non-profit association; c) profit enterprises with social impact, where one can place also disability centres.

WISEs in the study hold different legal status. Some of them have a status of:

a foundation (2),

cooperative (2),

association (2),

most of them are companies (18).

They also have quite different statuses. They can either be social enterprise, employment centre, disability company or protective-working centre, some of them are a mixture. Differences in their legal form and status have important influence on their business success market orientation, and their support to innovation, life-long learning education and ICT.

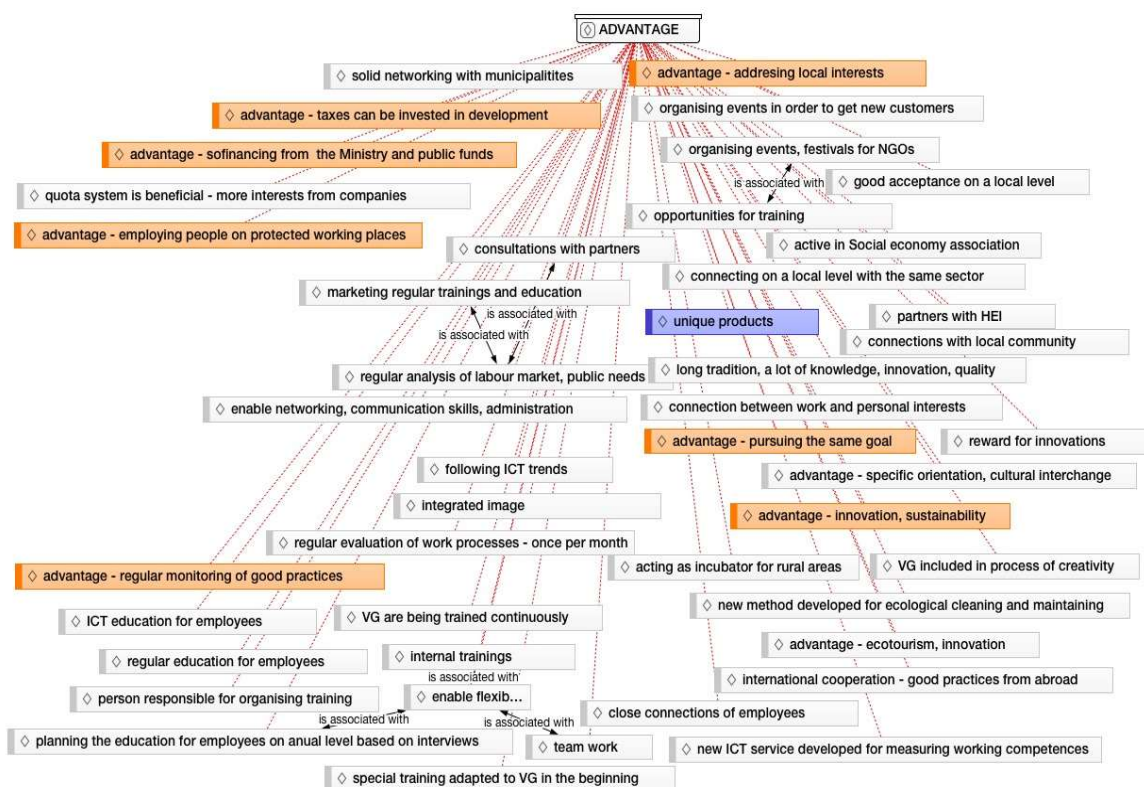
Disability companies generate revenue majority on market and thus create new jobs. However, it has been argued that their social mission is weak. They are predominantly profit enterprises not including employees and other stakeholders in management (Borzaga and Galera; in Adam 2015). Employment centres seem to be closer to pursuit a social mission, but they are more depended on public funds and subsidies. Protective daily centres to a large extend depend on subsidies and they hardly achieve the business dimension, but their social mission is strong, and a small part still depends on the market (ibid.).

However, regardless of the legal form and status, all WISE in the research, are employing disadvantaged groups, are pursuing social mission, and are at least to a certain extend depending on a market. The interviews offer an important insight into the situation of WISE sector in Slovenia, with the special emphasis on ICT tools.



5.1 Analysis of the code family: Advantage

Figure 17: Category Group: Advantage



INNOVATION, SUSTAINABILITY, LOCAL NEEDS AND CONNECTIONS

The important advantage of WISEs is when they invest in **innovation, creativity** and business strategies that ensure their unique and competitive position in the market. This can refer to **unique products** that can be sold on market or it can refer to general orientation of the WISE **supporting sustainability aspects** of environment and society. As one of the experts said: *“The advantage of the company is in our products that are manually produced and unique. They carry a special story of those who are making them”*.

When vulnerable groups are integrated not just into production but also into creativity process, the overall results of the enterprise are better. In that regard, it has been emphasised that of great importance is a good working atmosphere, referring especially to the possibility to interchange ideas and having opportunity to participate in management of work at least to a certain extend. The important element is also a close linkage between working and personal interest. When employees are **pursuing the same goals**, and are doing their working obligations “with heart”, having a feeling that they contribute something good to society and to themselves, they also achieve better business result.



Further, when enterprises pursue sustainability goals, they are often tightly knitted with local community and they address local needs. As one of the experts working in eco-tourism said: *“If we compare ourselves with the business sector, our advantage is certainly in addressing some local interests, therefore, we are not just attempting to connect association, but also local community in order to assure some common need.”*

Strong connections with a **local community** often turn out into fruitful collaboration on a local level with the same sector. Those connections are of great help in getting new customers, who are successfully attracted through **organising special events, festivals for potential customers, partners and other relevant actors**. These events can take a form of specific education and trainings, local fairs for selling products, or other events. They are also a good opportunity for getting new competences and skills on a managerial level and among vulnerable groups.

However, there are not just positive impulses from local community that represent advantage. One can notice also concrete financial benefits from such orientation. WISE with sustainable orientation can more easily get funding from national and European funds. It has been also shown elsewhere that priority in financing get WISEs with combining **energy sources, cultural heritage and ecological production** (Radej 2013, in Adam et al. 2015).

As bearers of sustainable values and innovative methods they can have an important role in spreading good practices and encouraging other WISEs to attain better performances on the market and in achieving social dimensions. As one of the experts said: *“We operate as rural incubator”*. There is an interesting example of the successful company working in the field of waste and cleaning, while supporting strong ecological orientation, who actually developed a new method for ecological cleaning and maintaining the environment. When supporting innovative methods and creativity processes, the need for ICT in working process often comes to the fore. Some enterprises have established a special internal initiative and innovation and creativity is rewarded - **reward for innovation**.

NETWORKING / SOCIAL CAPITAL

WISEs with more branched network of partners and customers show better results in at least two dimensions of social entrepreneurship (e.g. business and social dimension). Important role is played by connections with local community, municipalities, NGOs. The advantage is when one is active in a social economy association or if one has productive linkages with HEIs, which encourage innovation and offer survey results in the market or provides expert opinions. When focusing on networks, the role of social capital turns out to be crucial. While this is a broad sociological concept with many different meanings and implications (Adam and Rončević 2003), herein it will suffice to define it as the degree of common relationship enabling social proximity. It enables an exchange and diffusion of informal knowledge and facilitates collaboration (Balland 2012).

All informants express a need for a stronger and wider partnership, as it is a social capital that can help to reduce certain obstacles in WISEs sector. In Slovenia, WISEs still mostly depend on public calls and subsidies. The profit from market activities remains relatively low. Those obstacles can be overcome with more intensive collaboration and networking between different levels and institutions. As observed in Adam (2015, 48-49), the solution is in the aggregation of functions or so called industrial symbiosis based on the cooperation with commercial enterprises in terms of smart specialization. According to our interviews, regular consultations with partners contribute to better results in terms of managements, marketing activities, education and trainings and overall performance of the company.



The important role is also played by networking beyond local and national environment. Cooperation with similar institutions from abroad enables exchange of good practices and innovative models.

REGULAR MONITORING OF WORKING PROCESS, ANALYSIS OF LABOUR MARKET AND PUBLIC NEEDS

In the recent decades, it has become increasingly important to have an access to different kinds of information and also to participate in its production. Technological development and mass mediation have induced certain social conditions, which have contributed to different ways of social organizations, communications and individual perceptions, while it also seems to be important to make a distinction between those “having information and being informed” (Webster 2014, 32). Therefore, it is important to have access to information, but also to be able to properly interpret it. The compilation, exchange and interpretation of information, which are crucial for WISE, are internal or external.

The former refers to regular evaluation of work process, which successful WISEs often emphasized in the interviews. Regular evaluation allows one to identify certain mistakes and inconsistencies in the working environment, and enables to plan future activities more efficiently. Successful WISEs claimed to organize such evaluations at least once per month. Such evaluations also contribute to better marketing strategies and education trainings, which are thus adapted to their special needs.

Crucial external information refers especially to regular analysis of labour market, public needs and other areas. At this point, it is worth to mention once again, the linkages with HEIs or institutions that can provide such information.

Both, social capital and proper access to information, substantially influence marketing strategies and activities of a particular WISE. It seems to be an important advantage, when WISE has its own brand and integrated image, which increases its visibility on the market and attracts new customers.

EDUCATION AND TRAININGS

The advantage are also regular trainings and education. It has been emphasized that it is important to plan education activities in advance. They should be based on consultation with employees. There are trainings for certain forms of WISE, which are prescribed by the law (for mentors working with vulnerable groups additional trainings should be organized at least twice per year) but there should be more of them - **adjusted to their needs**. Respondents also emphasized that vulnerable groups should be regularly trained and encouraged to gain new competences and skills. Especially in the beginning, they should be trained and integrated properly into working process.

PUBLIC INVESTMENTS

Majority of WISEs representatives emphasized the positive role of public funds and subsidies. Firstly, they stress out that is very beneficial for them that they can invest certain money into development instead of paying taxes. They also support public initiatives to subsidy the employment of vulnerable groups on protected working places.

There are different percentages of public subsidies for disability companies and employment centers. Disability enterprises get subsidy of up to 75% of the salary for each of the employed disabled person. When disabled employees represent more than 40-50% of all employed, from which one third are heavy disabled people, enterprises are exempted from paying part of tax contributions. Those

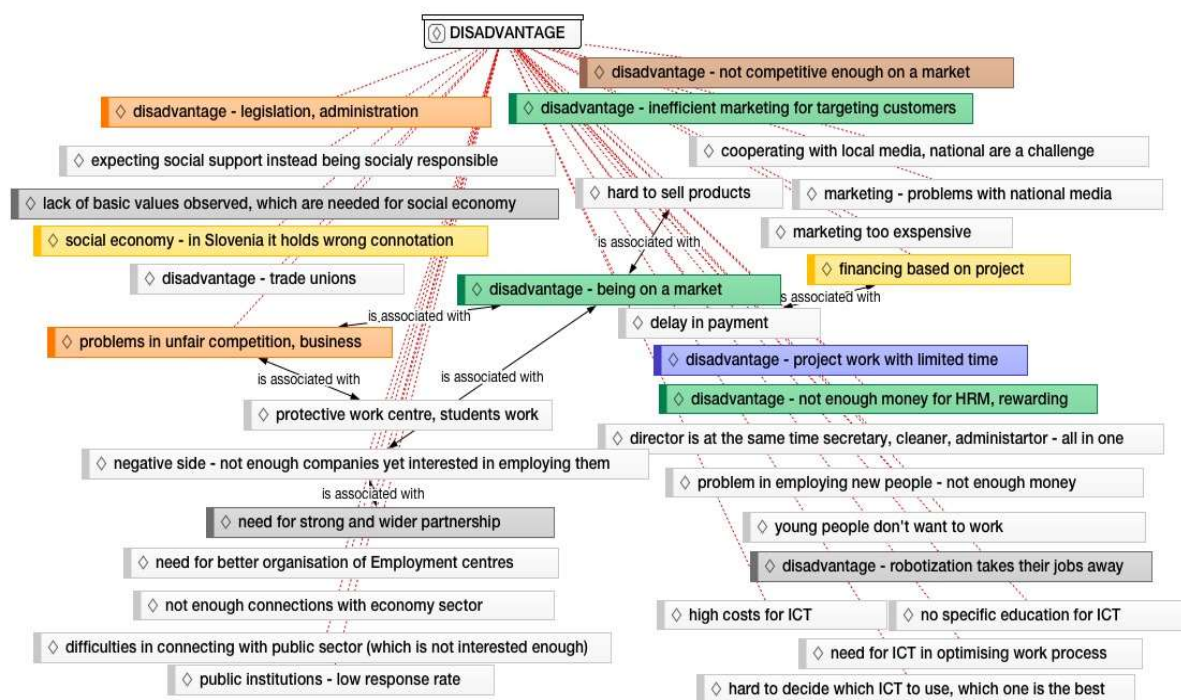


enterprise that employ less than 50% of disabled persons, are entitled to a tax reduction of up to 50-70% of the salary. In the case of employment centers, public subsidies are from 20%-80% higher than in a case of disability enterprises. However, as Podmenik and Česnik show (2015, 39-40), the analysis indicates that all public investments are also beneficial for state budget.



5.2 Analysis of the code family: Disadvantage

Figure 18: Disadvantage



LEGISLATION AND ADMINISTRATION

Representatives of WISEs, regardless of their legal form or status, share the opinion that legislation provides neither proper definitions nor proper answers to the actual challenges. As they say, conditions for operating in the field of WISE are very demanding and strict. These claims are in line with the previous studies (Adam 2015; Skok 2016) showing that social entrepreneurship is only in the beginning of its development in Slovenia. Although WISEs have been the first representatives of social entrepreneurship there are still a lot of space open to improve their formal conditions.

According to the document Improving social inclusion at the local level through the social economy, Report for Slovenia (2010, 17), the country has a long history of disabled employment and support. The first companies for the disabled were established in the 1960s with the main goal of integrating physically disabled people into work. Since then, their scope of including disabled has become broader, and the types of activities carried out by the companies for the disabled have changed over the years. There has been an increased emphasis on disadvantages associated with intellectual capabilities. It is important to emphasize that the Slovene law strictly distinguishes social enterprises from the enterprises which employ disabled people - disability company is not treated as a social enterprise.

The Law of social entrepreneurship in 2011 represented the basis for Strategy of Social Entrepreneurship in Slovenia, prepared by the Ministry of Economic Development and Technology.



The Ministry is also the government regulatory and monitoring body of social entrepreneurship field in Slovenia that also prepared the list of actions necessary to support and implement the strategy (details in Skok et al. 2016). While these initiatives may represent a step forward to a better organization and more favorable environment for social enterprises and WISE specifically, the legislation is also an administrative obstacle. As one of the experts said:

“The legislation we have is absurd. That is why, we have not registered any of our companies as a social enterprise and we do not have any intentions to do so in the future, and we stopped thinking about that, because ...in the draft of the law it was a criminal offense if you declare as a social enterprise and if you are not in the state register. Although we perform on the basis of the principles of social entrepreneurship, however, legislation that is useless is certainly an obstacle. Too many administrations, but you know the law, it cannot prescribe to the entrepreneur the areas on which he can work, thereby violating the Constitution or the entrepreneurial freedom.”

As the respondents emphasized, those flaws contribute to certain obstacles and unfavorable position of WISE on a market. Some managers of disability enterprises see a major problem in the unfair competition on a market stemming from the unfair competition with protective work centers and students work. As one of the expert said:

“The employer prefers to give a job to protective working center, where one can pay a norm a standard for one euro or two, we are talking about the norm of the hour, which means that the individual gets fifteen cents per hour, this is on the thin line with slavery. And this part of the social care permits that...looking at student work is about the same story”

Another obstacle can be found in supporting improper business practices and thus contributing to the maintenance of a certain value orientations hindering entrepreneurial spirit. As it was emphasized in Skok et al. (2016), in some points the Law actually allows candidates to establish enterprises, which are just waiting for tenders and the support of society.

VALUE ORIENTATION AND ENTREPRENEURIAL MIND-SET

Many of our respondents have argued, that many WISEs do not operate in an entrepreneurial way. There has been a lack of basic values observed, which would encourage market orientation and entrepreneurial spirit. Many WISEs are just expecting to operate exclusively by the help of public social support. It has often been emphasized, that the word “social economy” in general holds a **inappropriate connotation** in Slovenia. As one of the respondents said:

“I see the main obstacle in a growth and development of WISE sector in the word social economy. In Slovenia, it is understood as a particular social problem, as something that needs to be supported, financed, instead of being socially responsible”.

It has been argued elsewhere, that key obstacles in establishing social entrepreneurship in Slovenia are in the lack of understanding of the term - social entrepreneurship and a lack of awareness what role the latter has in the economic and social environment, in the local and national environment (Lužar Šajt et al. 2005, in Adam 2015).

According to the document Improving social inclusion at the local level through the social economy, Report for Slovenia (2010, 12-14), one can see that Slovenian social economy organizations have a long history, which can be traced back to the medieval times in the 13th and 14th centuries. Till the World War One, the social economy encompassed an extensive network of associations, cooperatives, charity organizations, trade unions and professional organizations and unions. However, the recent



history shows us important discontinuities with the past, which have a crucial impact on specific connotations linked to the social economy. The predominant role in the development of the sector was traditionally played by the Catholic church. The establishment of the communist regime in end of the World War Two, severely broke with the tradition of a strong and developed social economy. Many functions of that sector were taken over by the public sector. It has been argued (ibid. 2010, 13) that the latter continues to be a hindering factor in the current development of the social economy in Slovenia. In the transition developments occurring after the 1991, Slovenian, unlike other transition countries, did not experience a so called “welfare gap” (Črnak-Meglič and Rakar, 2009, in Improving social inclusion at the local level through the social economy, Report for Slovenia, 2010), which had Encourage the development of civil society organizations in other central European countries. Negative legacies can be identified in:

conceptual confusion;

stigmatization of entrepreneurship and a lack of positive vision of entrepreneurs and entrepreneurship;

the lack of entrepreneurial capabilities of social economy organizations;

no clear role for the social economy in the Slovenian social system;

strong stigmatization of certain target groups;

the distance between the social economy and the state and their low level of communication. The state does not consider social economy organizations as serious partners in meeting the needs of people or does not consider important their contribution to general social welfare; and,

incomplete decentralization - a lack of intermediary public bodies between municipalities and the state. (in Report on Social Inclusion in Slovenia 2010, 12-14)

MARKET AND PARTNERSHIP

The obstacles, such as weak supportive environment, low recognition of social entrepreneurship and a lack of investments could be overcome by establishing stronger private and public partnership. Some of the respondents emphasized that their companies have many linkages with partners, but those connections are only formal. They do not benefit much out of them. One of the interviewees sees the problem in the inactivity of WISE management, which can once again be linked to the lack of proper values. As he explained:

“I can notice, that on different events (linked to social entrepreneurship), we are more or less the same people attending them. Activity is problematic. People are differently engaged in business...”

Respondents emphasized difficulties in connecting not just with the business sector, but also with the public sector, which does not seem to be interested enough in such cooperation, and as they say, public institutions are associated with the low response rate. As one of the respondents said:

“In fact, this cross-sectoral integration is what is problematic. The public sector is still a little immune to integration...We have one similar international project, under Erasmus +, and it is about finding some options for hiring vulnerable groups by transferring part of public services to social enterprises, to those companies that employ these vulnerable groups. Therefore, the goal of transferring these services is to employ these vulnerable. It's not necessarily a social enterprise, it can be something else, it's important to deal with it. This would proceed much faster if this link between the public sector and the non-governmental sector were stronger. In Italy, for example,



they are much more "advanced", although there are also problems there, because they started much earlier this time"

The need for stronger and more active partnership is also associated with marketing activities.

INEFFICIENT MARKETING

Not all of the respondents see marketing as important in their business performances, however, those who claim marketing is important, are complaining against high prices for such strategies - **money problems**. They also emphasize that national media are not in favor of advertising their activities - **problems with media**. There is also a lack of knowledge noticeable, which could help in marketing activities. As one of the respondents said:

"Maybe we are in need of particular knowledge, service development, maybe how to communicate with the public, so to advertise in the same way as business sector...there is never enough knowledge on rhetoric.

UNSTABLE FINANCING - PROJECT WORK

Important disadvantage that turned out to be important in the analysis, is also a project work. Many companies get their financial resources from national and also European project calls. Those projects do not offer permanent employment, while they often demand certain financial resources in advance, as financial resources come in delay. As one said:

"In short, we are more vulnerable because of that. If we have one employee and when we finish the project, we cannot keep him because he does not have a permanent job position, in case we do not find a new project, which is not easy... this is also our weak point.... This is one such demanding task, getting some additional sources of funding, considering we are only the non-governmental sector."

FINANCING ISSUES

Respondents also emphasized that they do not have enough employees, which can be due to the lack of financial resources, or because, there is not proper labor force available. Either, the work demands special competences and skills, which they cannot find on the labor marker, or as some said: "young people just do not want to work". Due to a low number of employees, director or managers of the companies are often multitasking. As one said:

"I'm everything in one person. I'm a cleaner, a trustee, a purchasing officer, I am a director, secretary, accountant, administrator, I am responsible for safety at work. Everything in one person."

ICT

The role of ICT seems to be crucial in optimizing working processes and other aspects of enterprises. One respondents emphasized that ICT takes jobs away from vulnerable groups, which call for special attention. There is a need of education on which ICT is actually available. As one said:

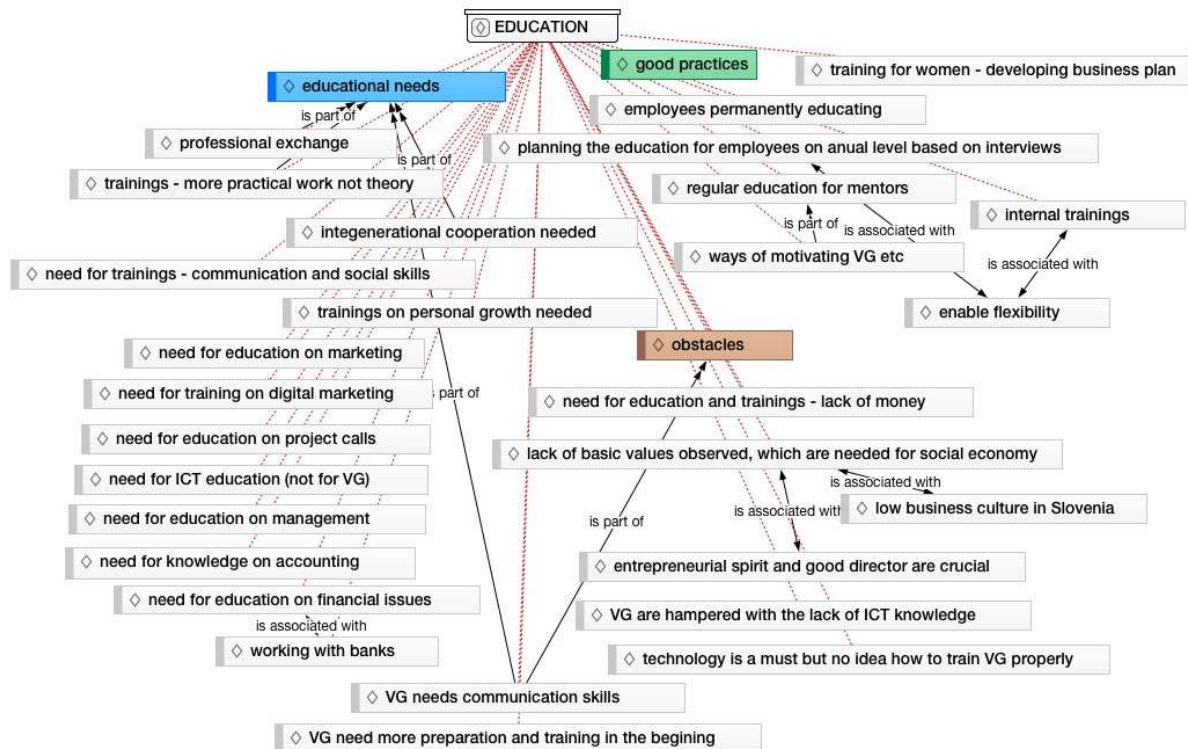
"I think there is a flood of all these technologies. You cannot decide, which one would be the best for you. Because even with simple things, such as a card reader, you do not know which one to



choose. You need someone who covers this area. If we look at finance, how payment transactions are handled...But it's not that far yet, you're the one who makes that decision.

5.3 Analysis of the code family: Education

Figure 19: Education



EDUCATION

The analysis of the interviews complements particular studies (Šentprima 2013) showing that there is a need of targeted education, trainings and more intensive promotion of enterprises in the social economy sector. Educational support is, in addition to promotional, financial and counseling support, crucial element in the growth and development of enterprises. There is also another aspect of the role education plays in the development of the WISE. As emphasized in Adam (2015), highly educated employees contribute to innovation and creativity in working environment, thus assuring competitiveness on a market. Their added value can often be seen in their participation in supportive - collaborative environments, such as start-ups, co-working centers etc. They more easily penetrate international markets, which is crucial in the recent era.

GOOD PRACTICES

The interviews revealed that regular education of employees is very beneficial for overall success of the particular WISE. As one said: *“So, we were talking about our advantages... We dedicate for education at least twenty days per person in a year. Therefore, each of our employees, speaking about professional workers, has at least twenty days for his/her progress. Regarding vulnerable groups, they are under training all the time”*.

It is important to plan education and training in advance and in the accordance to specific needs that employees have. In that regard, it is crucial that there is a regular discussion among the employees linked to the monitoring and evaluation of the work process and progress. The education can be external and internal. While the former allows new knowledge, the latter especially enables greater flexibility and adaptability of employees. This is especially important for the mentors who guide and control the integration



of disadvantaged groups into work. Regular education for the mentors also imply that they are more skilled for motivating disadvantaged groups. As one said, while explaining regular education for the mentors:

“It’s not about physical or profession work, it is more about the way of managing and supporting those people, to motivate them, to prepare them to engage in a quality work, so they can also feel better...we are trying to catch targeted training...depends on a topic...”

Herein, it is also worth to mention the WISE intensively supporting the integration of disadvantaged groups. As the director said, they are encouraging education and training enabling empowerment of disadvantaged groups:

“For the vulnerable groups, we carried out one project last year...where we trained women to be able to develop a business idea, to prepare a mini business plan, meaning how to proceed with business, and then they also registered their private institute. So, we are an incubator for the countryside... to aid disadvantaged groups to develop an idea and to help them with in the initial phase”.

Education is also associated with the organization of different event, where similar organizations, actors from local environment, development agencies, and HEIs can participate. As one said: *“We attempt to organize such events, where people can meet, establish networks...and there also a transfer of information and knowledge occurs”.*

OBSTACLES

Despite a strong awareness of the important role education has, respondents reported many obstacles in that regard. The first obstacle refers to money, which is often needed for extra education, especially abroad. As one said: *“As there is a lack of financial resources, we attend only trainings prescribed by the law”.*

Obstacles in education are also linked to a low business culture, meaning that education should contribute to great awareness of benefits of entrepreneurial spirit within WISE sector.

EDUCATIONAL NEEDS

Educational needs are strong and various. They refer to new knowledge, competences and skill in the areas of:

financial issues

accounting

management

communication and social skills

marketing

digital marketing

ICT: a need for education on ICT has been especially emphasized, for professional workers and also for disadvantaged groups

As some informants emphasized, disadvantaged groups need trainings especially on communication and social skills. A proper preparation for the work also plays the important role in the initial phases of employment, referring not just to working skills but also to the attitudes linked to the working process. As one said:

“They especially need preparation for a job. They have to understand that salary is not a natural phenomenon, they have to earn it. With good work, quality work and dedication. Regardless of being social

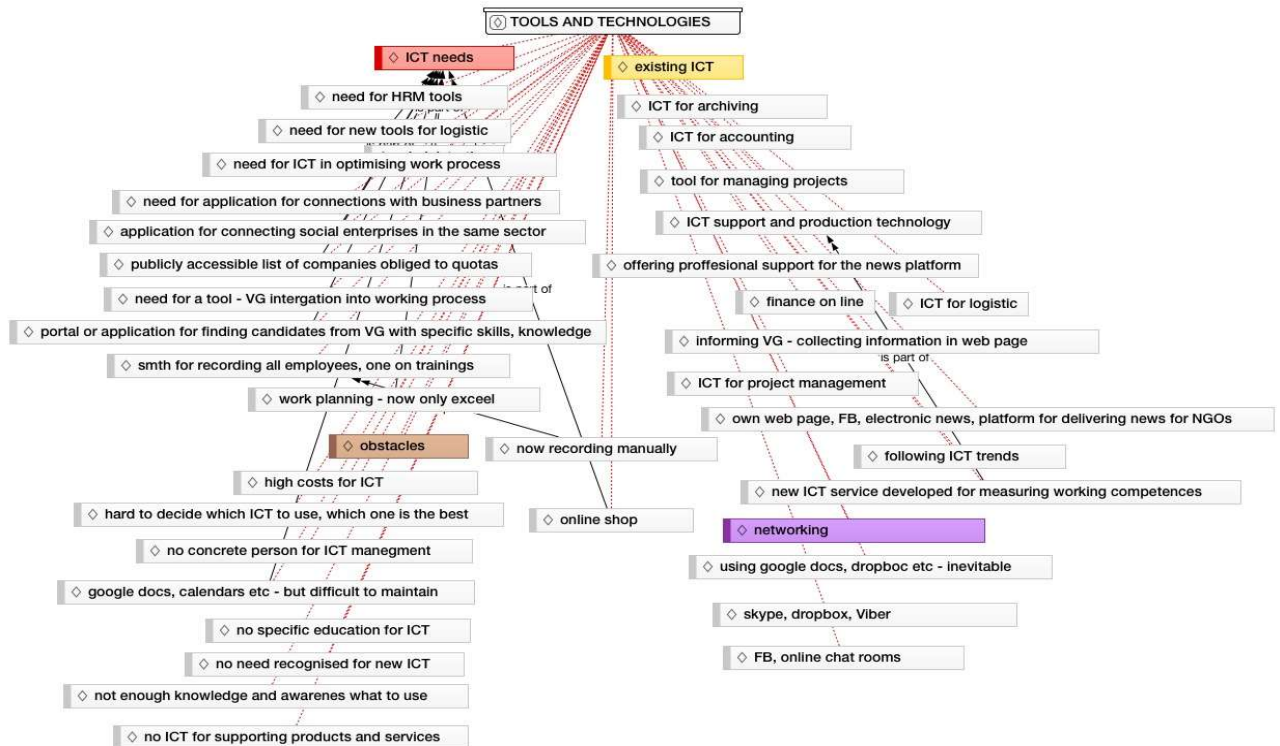


or business enterprise, in WISE, there should be an even stronger stimulation to be able to contribute to the profit. They just have to be prepared for that.”

The important aspect of education refers also to intergenerational cooperation personal growth. As a respondent said: “Intergenerational cooperation...I can see that tolerance and interchange of professional knowledge and skills has occurred in that regard. We need mentorship for such exchanges.”

5.4 Analysis of the code family: Tools and technologies

Figure 20: Tools and technologies



ICT

Nowadays, a definition ICT includes unified communication technologies and it refers to the integration of telecommunications, computers, middleware and the data systems that support, store and transmit UC communications between systems (Murray 2013). In business environment, ICT can be used in different areas.

In business, it can be used for:

Recording Data, Storing data, Manipulating data and Retrieving data

ICT is therefore used in (ITCA lessons, ppt online)

Administration- Invoices, Communication, Emails

Business, Finance and Accounting- Business Plans, Financial forecasting, Auditing, Market Analysis, Research, Recording Transactions

Communications- email, instant messages, mobile phones

Engineering and Creative Art- 2D and 3D Drawing, Modelling, Simulation

Wildlife and Tourism and Hospitality- Animal Tracking, Hotel booking, GIS

Technological components refer to hardware and software, within the letter, we can distinguish between application software and system software. An important role is played by internet enabling e-mail communication and e-commerce.

It has been showed that three primary processes are enhanced in e-business (ITCA lessons, ppt online):



Production processes, which include procurement, ordering and replenishment of stocks; processing of payments; electronic links with suppliers; and production control processes, among others;

Customer-focused processes, which include promotional and marketing efforts, selling over the Internet, processing of customers' purchase orders and payments, and customer support, among others; and

Internal management processes, which include employee services, training, internal information-sharing, video-conferencing, and recruiting.

WISEs most often operate on the level of small and micro enterprises. For that sector, ICT has turned out to be especially important. It has been shown (Patil and Chavan 2016) that ICT enables new business opportunities, cuts of costs by improving internal working processes, enables better and more efficient communication with customers, enhances promotion and distribution of product through on-line tools. Thus, it increases the efficiency not just of business systems but also business practices. According to the World Bank Report (2006, in Patil and Chavan 2016, 64), enterprises that use ICT are more productive, more profitable, they invest more and also grow faster.

According to the interviews, there are substantial differences between WISE regarding the extend, to which the ICT are used in working environment. Firstly, we can distinguish between two groups of WISEs:

1. the ones who support ICT and encourage implementation of ICT into different areas of working process. They are following ICT trends
2. the ones who do not see important advantages in ICT tools. This can be either because there is a substantial lack of awareness among their managers what actually exists and what are the benefits of ICT, or because they consider their work to be too simple to acquire such tools. The latter is especially associated with vulnerable groups.

In the first group, there are different ICT tools they use. For instance:

ICT for archiving

ICT for accounting

ICT for managing projects

ICT for support and production

ICT for logistic

ICT for commerce

All WISEs nevertheless use at least some tools for networking, such as Google docs, dropbox, on-line shops, etc., and for marketing, mostly using Facebook, but also skype, Viber, chat rooms. They also use office automation tools.

There is a strong need for special trainings and education for WISEs what ICT is actually available, how to reach it, and how to use it!

In the interviews, there were different needs for ICT exposed:

for HRM tools

for new tools for logistic

for ICT in optimizing work

for an application for connecting with the business sector

for an application for connecting with the social enterprises within the same sector

publicly accessible list of companies obliged to employ (additional) disadvantaged people to fulfill the quota defined by the law



for a tool enabling integration of disadvantaged people into working process
a portal or application for finding candidates from disadvantages groups with specific knowledge and skills
a tool for recording working progress for employees
a tool for organizing work process (excel is not enough)

The main obstacles in implementing ICT into WISE are:

ICT is too expensive and many WISE cannot afford it

it is very hard for them to decide, which tool is the best

there is a lack of concrete person for ICT management in WISE

they can use tools such as google docs, but for some it is difficult to maintain it

not enough knowledge and awareness what to use

In order to provide a coherent picture of the key elements of collected data and information, we selected three companies that are successful on the market and they already have certain experiences with innovation, ICT tool and models. Relevant codes and categories are linked to the main thematic parts and objectives of the study.



MARKET AND MARKETING

Their connection with customers are based primarily on a good reputation, so they put much efforts in quality of their products and business performance

They emphasized a need for strong and wider partnership

They have established connections with different actors and organizations in the same sector; however, they desire linkages with high, and also easier access to the Chamber of Commerce

They have their own web page based on WordPress and on-line shop

Connecting with Scuolo - MailChimp

They advertise themselves through Facebook

They use Addwords - Google offers financing of up to 3000 \$ for WISE

There is a need for more organized marketing and to establish their integrated image

They emphasized the need for ICT in marketing

They emphasized the need for analysis of the labor market and other sectors

EDUCATION

They encourage education and training, they use TeamViewer for that purposes

They are planning education in advance according to special needs of employees

They are gaining experiences through business and working processes

They emphasized a need for training and education on financial issues

ICT

They strongly encourage the use of ICT in all areas of WISE functioning

A need for innovation in different areas, enabling better position on a market

They emphasized the need for ICT in optimizing work process

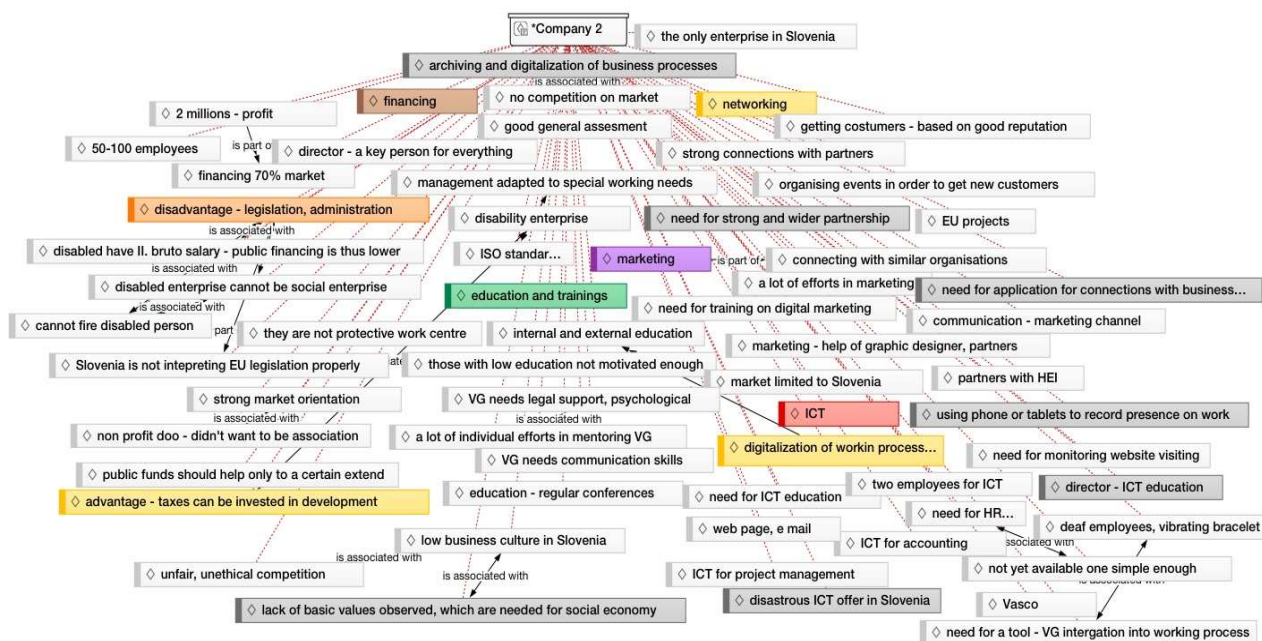
They use:

- Birokrat - ICT for accounting
- combination of HRM and CRM
- Control Plus - ICT for logistic
- Google Analytics
- ICT e mail, FB
- SquadMail
- TeamViewer

- WooCommerce

CRM desired - support in selling; designing text, images

Figure 22: Company 2



INTRODUCTION

They operate in the field of archiving and digitalization of business processes; business service
disability enterprise

non-profit limited liability company - didn't want to be an association

management adapted to special working needs - ISO standard 2001-2015

2 million - profit

50-100 employees

director - a key person for everything - pursuing social mission

financing: 70% market

EU projects

advantage - taxes can be invested in development

quota system is beneficial - more interests from companies

They claim there is a lack of proper business values in social sector in Slovenia - low business culture in Slovenia



Slovenia is not interpreting the EU legislation properly - disabled have II. bruto salary - public financing is thus lower

MARKET AND MARKETING

Connecting with similar organizations

They are organizing events in order to get new customers

They established partnership with HEI

Still a need for strong and wider partnership

Getting costumers - based on good reputation

They put a lot of efforts in marketing - help of a graphic designer, partners

EDUCATION

They invest a lot of individual efforts in mentoring disadvantaged groups

need for ICT education

disadvantaged groups need communication skills

disadvantaged groups need legal support, psychological support

In order to get new knowledge and skills they organize regular conferences

ICT

They encourage investment in technological development and innovation

Digitalization of working processes • director - ICT education

ICT for accounting

ICT for project management

Office automation tools

□ Vasco

web page, e mail

IP telecommunication, professional sceners, microfilm

using phone or tablets to record presence on work

deaf employees employed - they use vibrating bracelet

disastrous ICT supply in Slovenia

need for a tool - VG integration into the working process

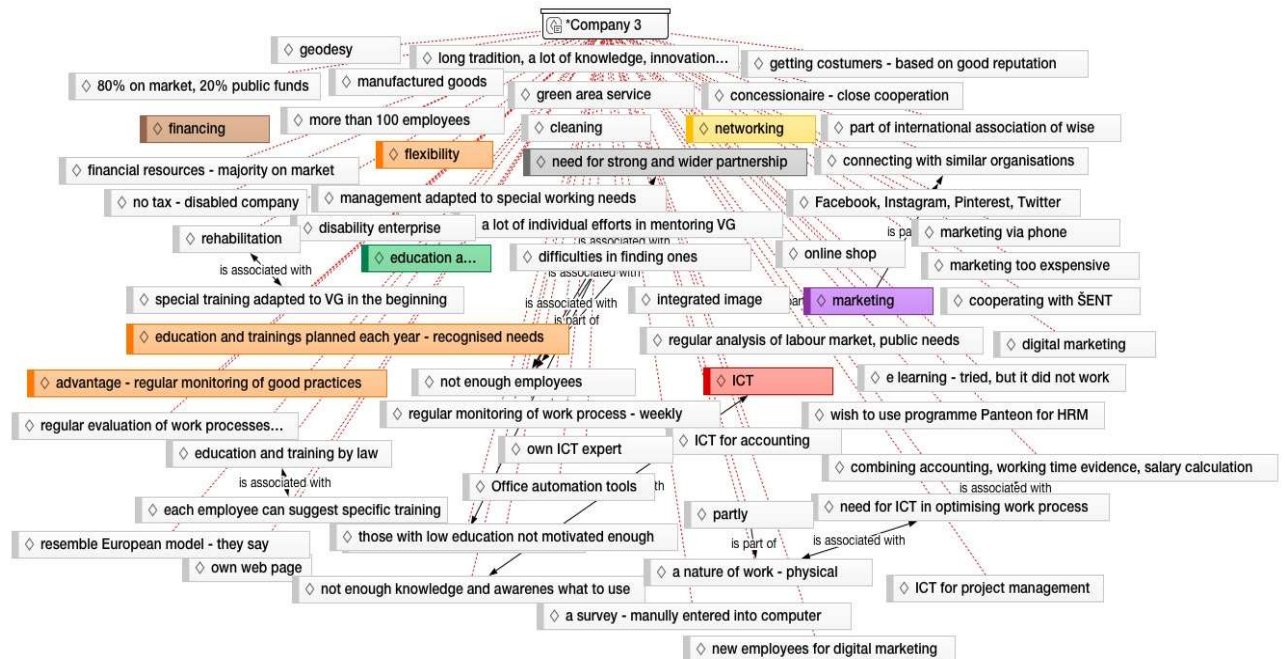
need for HRM tools



need for application for connections with business partners

need for monitoring website visiting

Figure 23: Company 3



INTRODUCTION

Disability enterprise

Employing over 100 people

Management is adapted to special needs

Green service, cleaning, geodesy

Operating since 1994; much experience and good reputation

Competitive on the market although it is WISE

80% operate on a market, 20% subsidies as they are disability enterprise

A lack of proper employees

They regularly monitor working process

MARKET AND MARKETING

They attract customers through personal contacts and based on a good reputation

They are a part of international association of WISE



They are connected to ŠENT, which is a non-profit, non-governmental organization intended for individuals with mental health problems and those people who find themselves in momentary emotional distress, their relatives, experts in this field and others. Founded in 1993 ŠENT works in public interest in the fields of social welfare, health, education, employment.

There is still a need for a stronger partnership

They do not invest much in marketing due to a lack of money

They organize occasional press conferences and digital marketing (Facebook etc.)

They have integrated image

They would need an analysis of the labor market

EDUCATION

They organize regular education, but among those with lower education, there is not enough interest - a need to find ways for motivating them

They plan education according to their needs; each employee can suggest what she/he needs

They invest a lot into training and supporting disadvantaged people

ICT

They encourage investment in technological development and innovation

They employ a person taking care for ICT

They stress a need for ICT in working process, but would need information and knowledge what to use and how to use

ICT for accounting

Office automation tools

ICT for project management

CONCLUDING REMARKS

Based on the interviews, we can emphasize certain important elements of WISE:

The important element is a social mission, and social dimension of companies

Because they employ disadvantaged groups, the management and working process is adapted to special needs

A tempo is slower and offers a supportive environment; de-stigmatization

Team work and good working atmosphere is very beneficial - training plans should also consider intergenerational, inter-sectoral cooperation and personal development

There is a need for enhancing entrepreneurial spirit within WISE and in public



The position on the market is a challenge

Marketing is crucial, but should be adapted to special needs / digital marketing

Strong and good partnership is important not just on a local, but also on national and transnational level

It is important to be creative, innovative and unique

Support in education and ICT is crucial - but often there is a lack of proper knowledge and also financial resources

6. STAKEHOLDERS MEETINGS

6.1 Participants

A total of 13 participants with a stake in the outcome of the Interreg project were present at the meeting. 8 contributed during the meeting and were included in the analysis. Age was deemed irrelevant for the purpose of this analysis. 54% (7/13) of participants were women and 46% (5/13) were men.

The groups included in the analysis were, as per *WP.T1_A.T1.1.guidelines on methodology* analysis:

1. Managers of successful SMEs in addressed sectors
2. Experts dealing with WISEs
3. Representatives of WISEs (managers and employees)
4. Public authorities (local, regional, national)
5. Interest groups including NGOs
6. Higher education and research
7. General public

In order to access the maximum number of participants, the researcher recruited the assistance of the Slovene Mental Health Association (ŠENT), a large NGO operating day centers, educational programs and other activities across Slovenia. The meeting was held during the Days of Social Economy Event, organized by ŠENT To ensure the maximum possible number of walk-in participants. The meeting was held under the supervision of social workers or other qualified personnel, who did not listen in but were available via intercom. 8 participants voiced opinions during the semi-structured meeting. Participants signed a participation sheet and were made aware of their voluntary participation in the project verbally. Participant anonymity was not sought nor guaranteed. The number of participants was limited by the size of the venue and availability outside of standard business hours. When recruitment involving ŠENT, MONG and Dobrovita was discontinued, additional participants were recruited at the venue itself in an attempt to find patterns that are common to one organization and improve sampling. This was done with the assistance of Tea Golob, SASS, who agreed to assist with the presentation of the project on the main conference floor.



6.2 The meeting

The meeting took place on the 7th of December 2017 in the House of the European Union in Ljubljana⁷. This was chosen as a location due to the availability of potential participants and because of the availability of the equipment. The meeting was recorded on several devices through audio capture only.

Demographic data was not collected. The meeting was semi-structured with the following questions as provided in WP.T1_A.T1.1.guidelines on methodology analysis:

MANAGERS OF SUCCESSFUL SMES IN ADDRESSED SECTORS

What has contributed most to your success?

Which are the key features of your work that you would recommend to others as well?

What would you recommend in general to the companies in your sector in the field of leadership and management?

Which competences in the field of leadership and management are the most essential for the companies in your sector?

What would you recommend to the companies in your sector in the field of networking and searching for new customers?

Which market strategies provide the best results?

Which way is the best to encourage innovations in the company? What role does ICT play in this regard?

Where does the use of ICT provide the best results?

EXPERTS DEALING WITH WISES

How would you comment on the good practices, presented by the SME representatives? Do you think they are transferable to WISEs and if so to what extend?

Based on your experience, what would improve WISEs performance? How to maintain a proper balance between market performance and the actual inclusion of vulnerable groups in this regard?

Which are the key obstacles for WISEs and how to overcome them?

What measures do you suggest to eliminate the weaknesses of WISEs in the field of managerial skills? What should be done in the local environment, what in the national environment and what in the common region of Central Europe?

What measures do you suggest to eliminate the technological weaknesses of WISEs? What should be done in the local environment, what in the national environment and what in the common region of Central Europe?



REPRESENTATIVES OF WISES

How would you comment on the good practices, presented by the SME representatives? How much do you think they are transferable to WISEs?

How would you comment on the experts' recommendations?

What else would you underline in the field of competences, management and technology?

What kind of support in these fields do you expect from the public authorities - at the local level, at the national level and at the EU level?

ASK representatives of the SMEs and experts dealing with WISEs to respond to the answers provided by representatives of WISEs

PUBLIC AUTHORITIES: LOCAL, REGIONAL NATIONAL

How would you comment on the SMEs representatives' recommendations?

How would you comment on the experts' recommendations?

How would you comment on the expectations expressed by WISEs representatives?

How implementable do you think are the recommendations regarding WISEs in the fields of competences, management and technology?

Based on your experience, what would improve WISE's performance? How to maintain a proper balance between market performance and the actual inclusion of vulnerable groups? What can be done by the public authorities in this regard?

GENERAL PUBLIC

Do you have further ideas on how to strengthen WISEs activities in your region/country?

Any further comments?

Once a question was asked, participants were encouraged to spontaneously talk about their experiences and were not asked additional question, unless there was a noticeable lull in the conversation. The meeting was moderated by all participants involved with the project directly and taped. The meeting lasted for 83 minutes.

6.3 Analysis

The meeting was transcribed word-for-word into Microsoft Word documents in Slovene. Transcripts were not sent to participants for authorization. Transcripts were then analyzed and interpreted using thematic analysis.

Thematic analysis was considered appropriate because it allows the researcher to analyze large sections of raw data by reducing it to themes, while at the same time maintaining the focus on participant perspective. This reduction of large parts of text into smaller content categories is an



inductive method of content analysis. While such an inductive analysis of data allows for interpretation based on user experience, extensive counseling with representatives of target groups was conducted to foresee themes and predict possible categories in the data analysis process.

All transcripts were manually coded in order to generate initial categories. These categories were then combined into meaningful themes. Words, sentences and even paragraphs were used as single codes when relevant to FUDS guidelines and when they were limited to a single concept or experience. All coding was done by the researcher.

To ensure that the codes were not being misinterpreted, a WISE manager was consulted on code content and an agreement was reached. Codes were collected and then merged into categories. These categories were merged into themes that made a meaningful contribution to answering the research questions in the final phase of data analysis. Only categories that appeared at least three (3) times in the manuscript were merged into themes to avoid idiosyncrasies. In the interpretation phase, these themes were arranged to best represent the data and presented with relevant translated dialogue from the transcripts.

6.4 Results

Case descriptions

13 Participants were present at the meeting, 8 contributed. These are referred to by a number as assigned on the participation sheet and in the list below.

Number	Organization	Name	Type
1	SENT	Gregor Cotic	Association/NGO
2	Dobrovita	Igor Pavel	Employment/WISE
3	FUDS	Jasmina Jakomin	Research
4	MONG	Tomaz Konrad	Regional Authority
5	SENT	Nace Kovac	Association/NGO
6	MONG	Tatjana Gregorcic	Regional Authority
7	RRA Severne Primorske	Bruno Mihelj	Regional Authority
8	ZSES PE Goriska	Lilijana Brajljeh	Association/NGO
9	Fundacija Prizma	Mateja Karnicnik	Association/NGO
10	FUDS	Matej Makarovic	Research



11	JAZON d.o.o	Lenka Puh	Employment/WISE
12	SENTPrima	Jana Ponikvar	Employment/WISE
13	FUDS	Tea Golob	Research

THEMES

Over the course of coding the transcripts, 4 main themes emerged. These overlapped significantly with each other, although when they were made distinct from each other and made to link back to the research questions provided by FUDS some differences emerged. The selected themes were “Digitization for vulnerable groups”, “Funding”, “Innovation in social economy” and “State of social economy”.

◇ Innovation in social economy

◇ Digitization for vulnerable groups

◇ State of social economy

◇ Funding

DIGITIZATION FOR VULNERABLE GROUPS

The theme “Digitization for vulnerable groups” was the most easily identifiable among all the themes. The codes that make up the theme deal with the core purpose of employment and WISE's. The codes were “Employee quality”, “Management quality”, “Public interest”, “For profit”, “Employment” and “Potential Issues”. The most common code that contributed to this theme was “Employment”. The “Digitization for vulnerable groups” theme is furthermore associated with 7 categories overall and is as such the most well established theme among all that were selected.

Attendees reported on employee quality throughout the meeting:

2: *“I would argue that employee quality is the most common element to success”.*

8: *“It's obviously essential to employ the right people.”*

Some reports were not favorable:

8: *“groups that are difficult to employ (DTE) are difficult to make profitable on the open market.”*

8: *“One of my employees is disabled and she does not understand the nature of computer programs that she uses. I can't really expect her to get to grips with advanced computer programs and use them well.”*

Management quality and relevance of knowledge were widely discussed throughout the meeting:



4: *It isn't very difficult to explain why these specific companies are successful. The reason lies with the manager; a good owner motivates the whole company.*

12: *From the bottom-up and the other way around, we need to get management to want to include vulnerable groups.*

Success of a particular enterprise or service was also discussed depending on its orientation towards vulnerable groups. Participants reported either being profit orientated:

8: *"I need my business to keep growing, to generate positive experiences, and if I get issues I won't employ DTE's."*

4: *"When I buy something, I don't do it to do a favor for an enterprise, I buy it because it is better or comparable to what I would usually get."*

Or orientated towards the public interest:

12: *We are all competent in our own ways and we here are bound exactly by the values we're supporting. Full inclusion for instance. We need to be good at "matching"-the right person for the right job.*

2: *"There are countless stories like that, for instance museums in Trieste that are run by cooperatives. They are not very profitable, but they are very much alive."*

Both sides were quick to emphasize employment of vulnerable groups as their primary goal, as evident in the previous sub-theme and elsewhere:

12: *"The products and services we offer are meant to serve the interests of the public, it doesn't take economic interest as its primary goal."*

11: *"We've contributed heavily, but when it comes down to our actual goal, which is to employ vulnerable groups, the willingness to cooperate fades away."*

Despite this, several potential issues were highlighted:

2: *"Although this process is needed, I can foresee many issues. We might uncover them during this project."*

8: *"I need reliable results and I can't afford to go over her work."*

FUNDING

The theme "Funding" was easily coded, as it appeared mostly as a direct response to most questions in the transcripts. The codes and categories that were merged into the theme dealt with how participants perceived institutional aid and their access to technological solutions, i.e. "Lack of funding", "Failed projects", "Poor access", "EU funds" and, finally, "Open market".

Lack of funding and failure to get projects off the ground was mostly introduced by participants 11 and 8:

11: *"I mean whenever we tried to apply for calls through the ministry of economic development, we didn't really have enough added value per employee to gain that backing. It was always the same*



issue, you're not part of a sector that generates profit, therefore you don't really have a high added value per employee. You can't access development funds."

8: *"We can't afford to spend 5000 Euro on a solution that needs to be taught and then pay for that training as well."*

The theme "poor access" was present throughout the meeting, mostly through subtext and sometimes directly:

11: *"The issue is, we've never been successful enough to be partners in large-scale projects, whenever we had to give a presentation on our numbers, are we co-authors or not..."*

11: *"Although we understand what we're about and we take care of business, many of our initiatives don't really come through. We realize that we should offer new, varied services in order to gain new clients, but we haven't been able to finance new tools"*

Other participants opened the discussion up to the possibilities of EU funding and funding through the open market:

"8: I agree. To put it a bit differently, in my own experience, we need EU funds; there's only a few of us who have managed to stay on the open market after the funding dried up. We used it to become stable and link up with local authorities."

2: *"Digitization leads to process optimization, which in turn leads to market advantages."*

TECHNOLOGY

Technology is the theme that the whole meeting revolved around. As such, it was very difficult to code for and resulted in a large number of sub-themes before emerging. These are "Innovation", "IT deficit", "Digitizing", "Benefits of Social Economy", "Benefits of Technology" and "IT skills".

The first sub-theme, innovation, was commented on widely:

11: *"We've been able to be a part of social innovation due to certain partial economic interests of certain companies, which wanted open-source based technology to reach more stakeholders..."*

12: *"We've always wanted to be a partner in developing new technologies, since that is my personal area of interest. If you manage to get a good partner that works with various target groups, that's a situation where you have the potential to implement new business models and implement new tools."*

Participants perceived innovation as necessary through the apparent lack of IT skills:

11: *"There is a deficit in the IT area, which is the reason many project fail or aren't fully realized."*

2: *"Finance and competence I think. I mean, I'm a social worker; a proper application, an appropriate program needs to be found. What's right for me? I can't even begin to figure it out."*

The sub themes "Digitizing", and "IT skills" were presented mostly simultaneously during the meeting. A distinction was made by the researcher to appropriately theme personal skill and enterprise capabilities:

2: *"What we should do, is digitize the whole process, from client to service provider. "*



11: *"You can see that social enterprises, ones that focus on rehabilitation, are best able to provide an inclusive, stress-free environment and at the same time prove that a specific technology reduces workloads."*

The theme technology was rounded out by the discussion of how social enterprises are affected and affect technology. Two prominent sub-themes that represent most of the transcript are "Benefits of Social Economy" and "Benefits of Technology". The benefits of social economy to technological partners were represented by:

11: *"When a technology is used, we're actually the first to be able to confirm whether it's user-friendly or not, since we have process skills, people skills that are not machine-based. If we're made partners and can access these digital tools, we can ensure that the end product is widely accessible and that makes us a good choice for testing."*

11: *"In short, I am for better connections between social enterprises and work process innovators. You can see that social enterprises, ones that focus on rehabilitation, are best able to provide an inclusive, stress-free environment and at the same time prove that a specific technology reduces workloads."*

The benefits of technology when employing vulnerable groups were more practical and abundant:

11: *"Technology does aid in work, as it can warn workers when their task is incomplete. Especially when we're talking about quality control. Person to person quality control is made significantly more effective by technology. Bar codes and similar technologies are being used widely in our company, and we register less than 20 mistakes yearly, which is nothing in practice. Technology is what helps DTE's to hold positions in modern manufacturing and in services."*

11: *"We couldn't function without it. Deliveries, coding, control, inventory...Without digitization, a DTE is rarely effective, regardless of specific disability. Blindness, deafness, autism-every individual requires specific technological adaptations. Managing without using ICT is simply not possible."*

STATUS OF SOCIAL ENTERPRISES

The theme "Status of Social Enterprises" was the most self-contained out of all the themes that emerged from the data. This was due to participants reporting factual performance and current state of affairs without speculation, and only rarely connecting these to the wider context of the research or project. The categories that make up this theme deal with the participants' perception of their own performance, i.e. "local authorities", "awareness", "Education" and "Marketing". This theme was associated with 8 categories overall.

Members of local authorities were present at the meeting but did not contribute much. The sub-theme is mostly limited to various comments by NGO and WISE members:

8: *"We work in local procurement and we decided that the only way we'll be able to achieve results is to commit to working with public institutions. We achieved a 25% yearly growth ratio and we're at a point where we won't be to develop any further without digitization."*

7: *"Many interesting thing have been said, and while advanced technology might make work easier, people used to get by without it just fine. It's also getting increasingly difficult to use. I'm from a generation that did not grow up with computers, so I find it hard to understand and I keep asking*



myself who else is involved with it that I can't see. (anecdote omitted) I believe the answer to most problems outlined today lies in communication."

11: "Social economy should assist local communities, not the other way around. If social enterprises don't show an interest in helping the community then there's nothing for us to do. We can only operate where there are issues and establish ourselves where we are needed."

We are a solution to social problems, and if timely, a cost-effective one too."

Awareness of issues facing employers of vulnerable groups was also discussed:

2: "Public services provide opportunities for DTE's, although social enterprises that are in competition with larger corporations will not do well at all. Even when you're able to attract foreign investors, they might not be able to cooperate with you when a service is already legally bound to a service provider. Enterprises that work towards the public good are usually better suited to working with local authorities that have no economic interests in the affected niche."

The next sub-theme, "Education" was briefly touched upon when discussing other topics, although it must be noted that it was alluded to in other areas:

11: "Social enterprises are not public services. Established business models that guarantee a profit should be public services, we should innovate."

8: "If we look at the project, at who we've actually managed to train, how fast we did it and if that person found employment, we can see that we're oversimplifying this digital world. People don't know much about it."

12: "People running work processes have no desire to include vulnerable groups, so we need to make sure everyone here understand that other kinds of support are needed, like awareness, information and educational campaigns... Our experience in that area of work rehabilitation can be very useful here, especially since we have such a wide network of partners that we can access. Disability programs and employment enterprises on one hand, non-social enterprises on the other-who do you think is more prepared to take on this challenge?"

The final sub-theme, "Marketing" was briefly mentioned, but did not fall below the cut-off rate. There seemed to be a consensus among the participants that no additional steps were required in regards to marketing:

11: ". I think our ICT is very close to what it should be where marketing is concerned. We would like to get our hands on a tool that measures social impact though. There should be a public database, not people singing their own praises. I think there's enough know-how around for us to establish such a database."

2: "Let's drop marketing. We work with our hands, it all goes into Excel anyway."

DISCUSSION

1st set of questions: Managers of successful SMEs in addressed sectors

Managers and other participants attributed their success to a number of things, including employee quality, the quality of managers, the products and services they provide and otherwise. The answers



were not particularly distinctive from non-socially aligned managers until the topic shifted to DTE's. The capability of staff and managers to communicate seems to be paramount, as evidenced above. Furthermore, significant energy seems to be put into adjusting work processes for employees with particular needs, which results in improvements across the board. Several potential issues were addressed, which seem to mostly focus on a lack of trust towards employees with special needs and the need to oversee them. This was shown to be unneeded, but no experience of successful fieldwork facilitated by ICT was found.

2nd set of questions: Experts dealing with WISEs

Issues unique to WISE's were discussed. It was shown that a lack of funding to modernize and prohibitive costs for appropriate technologies was the biggest worry, followed closely by the opinion that the open market might be too volatile for WISE's. An interesting point was made where WISE's and other forms present in social economy might be used as ideal testing facilities precisely because they rely on ICT so much and should take advantage of that. This is an opportunity to overcome the IT deficit so often mentioned during the meeting. A consensus was reached that ICT is needed in social economy, as it guarantees reliability and is the perfect tool to eliminate the above-mentioned weaknesses.

This was thoroughly debated. It was shown that funding is the biggest priority and WISE's need to be scaled down to correspond to local needs. Providing community services and accessing funding through investment opportunities seemed to be the gathered consensus. Furthermore, local authorities might be able to use WISE's in positions where they have no economic interests, suggesting ties with communal psychiatric practices.

3rd set of questions: Public authorities: Local, regional national

Public authorities did participate in the debate to an extent, but were not prolific. While they did comment on the feasibility of plans and sought specific answers they were mostly interested in the specific requirements of WISE's. The need for awareness and managerial reform was emphasized as well as WISE's relation to the consumer. Social benefits were accepted as a type of added value, although the need to perform at the standard of non-social enterprises was firmly established. ICT could bridge the division as was demonstrated during the meeting, though significant requirements for education, training and equipment were presented as a realistic obstacle. When a mutual benefit between social economy and tech-focused companies was established, the main issue that remained was state interference and availability of funding. Creative and innovative, low-cost ICT seems to be the answer to these issues according to participants.

STRENGTHS AND LIMITATIONS

This study was intended as an exploratory effort in the Slovene context. Despite considerable effort to maintain an ethical approach and provide participants with a considered, professional experience, brevity and poor focus have been noticed during the meeting. Recruitment to the study was designed with the assistance of FUDS and MONG as well as the Slovene Mental Health Association (ŠENT) and has guaranteed inclusion of participants across a wide range of ages, locations, both sexes and different levels of educational attainment. Future research aiming to comprehensively review the



same research questions should move beyond this small scope and recruit participants from a wider range of potential participants. The researcher also failed to recruit any DTE participants, due to lack of response and consensus by gatekeepers. Wider participation could be ensured by the use of incentives. The sample size was small and it is more than possible that additional themes could emerge with further sampling. Saturation was not attained due to the meeting being relatively short, although experienced researchers suggest saturated research at this point isn't necessary. While it is possible that participants were motivated to report positive engagement as a result of peer pressure, the many negative comments suggest that most participants held critical views. The researcher attempted to ensure that the meeting allowed participants to be candid and elaborate on topics they considered important. This sometimes resulted in answers that had little or no connection to the research questions. In such situations, additional questions were posed to ensure that participants reported on aid systems and needs. While prompts about these topics could result in unwillingness to talk, the researcher is confident that all participants attempted to answer the questions posed in the interview.



7. SYNTHESIS OF THE RESULTS

Recognising formal-legal basis framing political, social and economic systemic environments of WISEs
legislation provides neither proper definitions nor proper answers to the actual challenges.

legislation as an administrative obstacle

Contributing to the the unfair competition on a market

Although WISEs have been the first representatives of social entrepreneurship there are still a lot of
space open to improve their formal conditions.

Supporting specific mind set - Slovene law strictly distinguishes social enterprises from the
enterprises which employ disabled people - disability company is not treated as a social enterprise.

Specific managerial models and practices of the WISEs applied in relevant sectors

Majority hierarchical managerial models - non-hierarchical turned out to be more successful - it is
important to participate in decision making and collectively contributing to the social mission of
the company and business success

Often a director is the key person for everything - not enough employees

When employees are pursuing the same goals, and are doing their working obligations “with heart”,
having a feeling that they contribute something good to society and to themselves, they also
achieve better business result.

Predominant orientation towards common goals is also emphasised by most survey respondents
(44%)

Specific products and services

Typical sectors mentioned in the survey: manufacturing; administration and support activities;
agriculture; accommodation, food and tourism; education

The important advantage of WISEs - invest in innovation,
creativity and business strategies

unique products

general orientation of the WISE supporting sustainability aspects of environment and society

Addressing local needs

Markets on which WISEs work as well as potential markets they could access

Limited to local environment / rarely national

Transnational - EU projects / usually limited time span



Desire for stronger partnership - aggregation of functions or industrial symbiosis based on the cooperation with commercial enterprises in terms of smart specialization

Quota system

Specific shortcomings in terms of technology, management and skills

Need for education on marketing / digital marketing

ICT education; also clear from the survey regarding the vulnerable groups (together with the lack of capability for additional training and communication skills)

Lack of effective collaboration with other WISEs

Financial issues

Project calls

Rarely management issues recognised - but needed

Lack of entrepreneurial spirit

Tools (ICT based and other tools) and methods used on a regular basis in WISEs

ICT for accounting, financial management

Office automation tools

Document management tools

Communication media

Lack of ICT!

Shortcomings regarding:

Evaluation tools

Project management tools

E-learning tools

Workflow management tools

E-commerce tools

Promotional support tools



8. LIST OF REFERENCES

- [1] Adam, Frane (ed.). 2015. *O stanju in perspektivah socialnega podjetništva v Sloveniji in Hrvaški*. Ljubljana: Inštitut za razvojne in strateške analize.
- [2] Adam Frane and Borut Rončević. 2003 Social Capital: Recent Debates and Research Trends. *Social Science Information*. 42(2): 155-183.
- [3] Balland P.A. (2012) Proximity and the evolution of collaboration networks. Evidence from research and development project within the Global Navigation Satellite System industry. *Regional Studies*, 46, 741-756.
- [4] CIRIEC (International Centre of Research and Information on the Public, Social and Cooperative Economy). 2012. *The Social Economy in the European Union. Report drawn up for the European Economic and Social Committee*. - <http://www.eesc.europa.eu/resources/docs/qe-30-12-790-en-c.pdf>.
- [5] Doherty, Bob, George Foster, Chris Mason, John Meehan, Karon Meehan, Neil Rotheroe and Maureen Royce. 2009. *Management for Social Enterprise*. Sage Publications.
- [6] Denzin K. Norman (1978) *The research act: a theoretical introduction to sociological methods*. New York; London: McGraw-Hill.
- [7] European Commission. 2014. *A map of social enterprises and their eco-systems in Europe. Country Report: Slovenia*. - <http://ec.europa.eu/social/keyDocuments.jsp?advSearchKey=socentcntryrepts&mode=advancedSubmit&langl&langld=en>
- [8] European Commission. 2015. *A map of social enterprises and their eco-systems in Europe Synthesis Report*. - www.ec.europa.eu/social/BlobServlet?docId=12987&langId=en
- [9] Freeman, Ina and Aiofe Freeman. 2013. "Capacity Building for Different Abilities Using ICT". In *Social E-Enterprise: Value Creation through ICT: Value Creation through ICT*. Hershey/PA: IGI Global.
- [10] Galera G., Borzaga, C. Social enterprise: an international overview of its conceptual evolution and legal implementation. *Social Enterprise Journal*, London, v.5, n.3, p.210-228, 2009.
- [11] Guidelines for the Implementation of Active Employment Policy Measures for the Period 2016-2020 (2015). Ministry of Labour, Family, Social Affairs and Equal Opportunities of the Republic Slovenia. - http://www.mddsz.gov.si/fileadmin/mddsz.gov.si/pageuploads/dokumenti__pdf/zaposlovanje/Smernice_APZ_2016_2020__final.pdf
- [12] Hrast, Anita, Sabina Kojc and Matjaž Mulej. 2014. *Študija in model merjenja družbenih učinkov socialnih podjetij v Sloveniji*. Inštitut IRDO.
- [13] Improving social inclusion at the local level through the social economy: Report for Slovenia. Retrieved from http://www.mddsz.gov.si/fileadmin/mddsz.gov.si/pageuploads/dokumenti__pdf/seminar_soc_podjet_oecd_report.pdf



- [14] Institute for Economic Research, Slovenia. 2010. *Social Enterprise Sector in Slovenia. Report prepared for ISEDE-NET project*. Draft. www.southeast-europe.net/document.cmt?id=196
- [15] ITCA LESSON www.cut.ac.zw/espace/tmasamha/1427438234.ppt
- [16] Kramberger, Anton. 2010. Okoliščine in pogoji nesocialne ekonomije v Sloveniji. Strokovna tematska konferenca V: Milošević, G., Kovač, Z., Radej B. (2010), Socialno podjetništvo - izzivi in perspektive. Zbornik prispevkov. Murska Sobota: Pribinovina.
- [17] Lužar Šajt, Dušanka, Sonja Gavez, Vanja Hazl, Julija Marošek, Stojan Zagorc, Simona Zagorc, Maja Gorjanc, Zdenka Kovač and Davide Branco. 2005. *Študija obstoječega stanja na področju socialne ekonomije v Sloveniji: s priporočili za pripravo modela uvajanja socialnega podjetništva*. 2005. Ljubljana, JAPTİ, Javna agencija RS za podjetništvo in tuje investicije.
- [18] Macura, Rajko and Iva Konda. 2016. "Social Entrepreneurship: an Instrument of Social and Development Policy." *Journal of Economic and Business Sciences* 3(2): 20-35.
- [19] Murray, James (2011-12-18). "Cloud network architecture and ICT - Modern Network Architecture". TechTarget =ITKnowledgeExchange. Retrieved 2018-01-6.
- [20] National guidelines to improve built environment, information and communications accessibility for people with disabilities. Official Gazette of RS, No. 113/05.
- [21] Sushma Patil and C R Chavan (2016). Role and Challenges of CZ for growth of Small and Medium Enterprises: A Literature Review. *BVIMSR's Journal of Management Research*. 8 (2)
- [22] Podmenik, Dane, Frane Adam, Goran Milosevic, 2017. *The Challenges of Social Entrepreneurship in Slovenia*. 6th EMES International Research Conference on Social Enterprise, 2017.
- [23] <http://programme.exordo.com/6emesconf/delegates/presentation/328/>
- [24] Podmenik and Česnik (2015): Socialno podjetništvo med trgom, nevladnimi organizacijami ter državo. In: O stanju in perspektivah socialnega podjetništva v Sloveniji in Hrvaški. Ljubljana: Založba IRSA.
- [25] Programme of Measures 2014-2015 for conducting the Strategy for Social Entrepreneurship. Republic of Slovenia. - http://www.mgrt.gov.si/fileadmin/mgrt.gov.si/pageuploads/mddsz.gov.si/pageuploads/dokumenti__pdf/zaposlovanje/Program_ukrepov_2014-2015_za_izvajanje_strategije_razvoja_socialnega_podjetnistva.pdf
- [26] Radej, Bojan. 2013 Študija lokalnih razvojnih virov in potencialov za razvoj socialnega podjetništva v Pomurju. Kongres socialne ekonomije v Pomurju
- [27] Regulation on Determination of Activities of Social Entrepreneurship. 2012. Official Gazette of RS, No. 54/12, amend. 45/14.
- [28] Report on Social Inclusion in Slovenia 2017
- [29] Resolution on the Master Plan for Adult Education in the Republic of Slovenia for 2013-2020 (2013). Official Gazette of RS, No. 90/13.
- [30] Rules on Monitoring Operations of Social Enterprises. 2013. Official Gazette of RS, No. 35/13.
- [31] Saldana, Johnny (2009) *The Coding Manual for Qualitative Researches*. London: Sage



- [32] Skok et al. (undated) Social entrepreneurship in Slovenia. State of the Art Report. Report for the (Innovate and Ideate for
- [33] Social Entrepreneurship, Project No. 2015-3-BG01-KA205-022771
- [34] Slovenian Accounting standards. 2016. Official Gazette of RS, No. 95/15, amend. 74/16, 23/17.
- [35] Social Entrepreneurship Act. 2011. Official Gazette of RS, No. 20/2011, amend. 90/14.
- [36] Spear, Roger, Giulia Galera, Antonella Noya, Emma Clarence. 2010. "Improving Social Inclusion at the Local Level Through the Social Economy: Report for Slovenia", OECD Local Economic and Employment Development (LEED) Working Papers, 2010/16, OECD Publishing, Paris. <http://dx.doi.org/10.1787/5kg0nvfx2g26-en>.
- [37] Strategy for Social Entrepreneurship for the period 2013-2016. 2013. Republic of Slovenia. - http://www.mgrt.gov.si/si/delovna_podrocja/socialno_podjetnistvo/
- [38] Šent. 2013. *Rezultati raziskave o podpornem okolju za razvoj socialnega podjetništva v sloveniji*.
- [39] <http://www.sentprima.com/wp-content/uploads/2015/10/rezultati-raziskave-o-podpornem-okolju.pdf>
- [40] Šent. 2014. *Razvoj modela učnih delavnic v socialnih podjetjih tipa b izvajalec: šent - slovensko združenje za duševno zdravje*. Ministry of Labour, Family, Social Affairs and Equal Opportunities of the Republic Slovenia.
- [41] http://www.mgrt.gov.si/fileadmin/mgrt.gov.si/pageuploads/mddsz.gov.si/pageuploads/dokumenti__pdf/zaposlovanje/Studija.pdf
- [42] Torres Coronas, Teresa and María Arántzazu Vidal Blasco. 2013. *Social E-Enterprise: Value Creation through ICT: Value Creation through ICT*. Hershey/PA: IGI Global.
- [43] Trampuš, Marina, Franc Cankar and Stanka Setnikar Cankar. 2013. "From project to social enterprise." *Učenje za poduzetništvo* 3(2): 162-169.
- [44] Vocational Rehabilitation and Employment of Disabled Persons Act. 2004. Official Gazette of RS, No. 16/07, amend. 87/11, 96/12, 98/14.
- [45] Vogrinc, Janez (2008) Pomen triangulacije za zagotavljanje kakovosti znanstvenih spoznanj kvalitativnega raziskovanja. *Sodobna pedagogika* 59 (5), pp. 108-122
- [46] Frank Webster (2014) *Theories of the Information Society*. 3rd edition. London: Routledge