

If not for profit,
for what and how?

S O C I A L
E N T E R P R I S E

Rethinking the Human Resource Management for a Sustainable Social Enterprise: A Study of Japanese WISEs

Sachiko NAKAGAWA
Keio University

Rosario LARATTA
Meiji University

EMES-SOCENT Conference Selected Papers, no. LG13-26

4th EMES International Research Conference on Social Enterprise - Liege, 2013

Interuniversity Attraction Pole (IAP)
on Social Enterprise (SOCENT) 2012-2017

and



 **EMES network**



Abstract

This study attempted to make clear what kind of challenges Japanese social enterprises are facing in the area of human resource management and how they are trying to overcome those challenges. For this purpose, we conducted a questionnaire survey of 1000 Japanese work integration social enterprises (WISEs) for the disabled and implemented semi-structured interviews with some of the WISEs which took part in the survey. As a result, we found that many social enterprises face challenges with their human resource management. The most mentioned problems were lack of applicants, few young people and difficulty to promote understanding and practice of their mission, vision and policy among workers. In order to deal with these issues, social enterprises need to adopt typical methods of cooperatives on payment criteria and those of for-profit companies on recruitment, welfare measures and training for workers. Indeed, human resource management is fundamentally an organizational issue; however, it is also a social issue because lack of recognition about social enterprises as a proper “workplace” among the public, for-profit sector and governments hinder social enterprises getting many young people and providing monetary welfare measures and enough training for workers. Finally, we propose some necessary plans in order for social enterprises to get over these hurdles and work for social inclusion of marginalized people sustainably.

Key Words: Social enterprise, Human resource management, Organizational issues, Social issues, Sustainability

Acknowledgments

This research is funded by Japan Society for the Promotion of Science. We would like to express thanks to the support.

© Sachiko Nakagawa (bear751@sfc.keio.ac.jp) & Rosario Laratta (rlaratta@meiji.ac.jp, rosariolaratta@hotmail.com) 2013. EMES-SOCENT Conference Selected Papers are available on the EMES website (www.emes.net) and on the SOCENT website (www.iap-socent.be). These papers do not undergo any editing process. They are published with the support of the Belgian Science Policy Office, within an Interuniversity Attraction Pole (IAP) on social enterprise entitled “If not for profit, for what? And how?”.

INTRODUCTION

How to attract, retain and motivate workers is a crucial issue for social enterprises. They are labor-intensive rather than capital-intensive organizations (Anheier, 2005), besides, well managing human resources enhance quality of services, create advantages over other sectors in the competition and continue to promote social inclusion of marginalized people effectively. There are many studies which analyzed wage differences among sectors (e.g., Ben-Ner et.al., 2011; Frank, 1996; Handy and Katz, 1998; Preston, 1989; Leete, 2006) and clearly indicated that, despite of lower wages, workers of social enterprises have higher job satisfaction and stronger motivation compared to those of for-profit and government organizations (e.g., Almond and Kendall, 2000; Bacchiaga and Borzaga, 2003; Benz, 2005; Borzaga and Depedri, 2005; Light, 2002; Mirvis, 1992). However, to our knowledge, no so many researches have been conducted into human resource management of social enterprises to determine the impact that an effective one can have on the sustainability of those organizations from a manager's perspective (cf. Hynes, 2009; Mosca and Pastore, 2008). Although participatory governance and open management could be helpful factors to attract people to become workers of social enterprises (e.g., Borzaga and Tortia, 2006; Bucolo, 2006; Defourny and Spear, 1995; Kandel and Lazear, 1992), they may not guarantee stable advantages to people when compared to innovative strategies put in place by other sectors in order to improve their management as well as their work environment. For example, Osborne and Gaebler (1992) and Schutz (1994) suggest that even for-profit and government organizations try to create an appealing point as a workplace by adopting decentralized open management style. As Borzaga and Solari (2001) indicated, drawing comprehensive strategy on human resource management encompassing from monetary and non-monetary incentives, career advancement, internal relations, recruitment to training is critical for a health and sustainable social enterprise sector.

In this paper, by focusing on Japanese Work Integration Social Enterprises (WISEs) for the disabled, the most excluded group of people in Japan, we attempt to discover what kind of challenges those organizations are facing in the area of human resource management and how they are trying to overcome those challenges.

1. CONCEPTUAL FRAMEWORK

1.1. Theories for this study

We used the following two theories for this study. The first is relative to definitions of social enterprises. For last two decades, social enterprises have grown remarkably in both sides of the Atlantic; however, the concept is quite different between them. In the US, the definitions divide between practical and academic circles. In the practical level, social enterprises mean that earned income business activities or strategies in support of its charitable mission. They are viewed as an innovative response to solve funding problems for nonprofit organizations which face difficulties to get private donations, government subsidies and grants stably in severe fiscal times (Dees, 1998). On the other hand, academics include not only nonprofit organizations but also for-profit companies engaged in socially beneficial activities like corporate philanthropy and corporate social responsibility (CSR) in social enterprises (Kerlin, 2006). That is to say, social enterprises are positioned in a spectrum between nonprofits and for-profits (Dees and Peter, 2001).

Turning to Europe, there are two streams of thoughts on the concept of social enterprises although there are few distinctions between practitioners and academics. The first stream emphasizes the social entrepreneurship dynamic developed by firms that try to increase social impact of their productive activities. It quite often focuses on innovative approaches to satisfy social needs through businesses taken by not only nonprofits but also for-profits (Grenier, 2003; Nicholls, 2005) and relates to the UK definition. For example, the British Department of Trade and Industry (DTI) defines social enterprises as businesses with primarily social objectives whose surpluses are principally

reinvested for that purpose in the businesses or in the local community rather than being driven by the need to maximize profits for shareholders and owners (DTI, 2002). Another stream of thoughts restricts social enterprises to organizations belonging to the third sector. More specifically, EMES European Research Network developed a framework and showed the following nine criteria encompassing economic and social dimensions as an “ideal type” (Defourny, 2001).

1. A continuous activity, producing and selling goods and/or services
2. A high degree of autonomy
3. A significant level of economic risk
4. A minimum amount of paid work
5. An explicit aim to benefit the community
6. An initiative launched by a group of citizens
7. Decision-making power not based on capital ownership
8. A participatory nature, which involves the various parties affected by the activity
9. Limited profit distribution

In this European definition, social enterprises are positioned in the social economy where social benefit is the main driving force. It is quite different from the US definition because the concept of the social economy is often used in the market economy in the US. Furthermore, unlike the US, cooperatives are included in social enterprises and are understood as the basic type of social enterprises in Europe. Indeed, legislations to promote social cooperatives as a typical social enterprise have spread in recent years and at least 11 of the 27 member states of the European Union like Italy, Portugal, Spain and France established them (CECOP, 2006; Pezzini, 2012). To sum up, the European approach (except for the British approach) emphasizes participatory democratic governance and the purpose, rather than non distribution of profits and a nonprofit form, are crucial factors for social enterprises and views social enterprises as the crossroads of cooperatives and nonprofits (Defourny, 2001).

The second theory relates to institutions. The institutional thinking stresses that individuals and organizations are open systems and their behavior are strongly influenced by institutions encompassing regulations, norms, customs and values that are taken for granted (e.g., Meyer and Rowan, 1977; North, 1990; Scott, 1992). For example, Powell and DiMaggio (1991) explains how government financial pressure, technological or environmental uncertainty and professional norms and standards give effects on organizational action by using the concept of isomorphism. On the other, Scott (1995) focuses on norms, cognition and regulations and considers when these institutions become in effect. According to Scott (1995), the norms become effective when actors find societal meanings of morals, obligations and formal laws and institutionalize them. Next, the cognition has effects through mimetic processes. It is deeply embedded in society and actors are required to comply as the taken for granted. Compared to norms and cognition, effects of regulation are based on coercion of external organizations. Scott (1995) warns that regulations could be mere material consequences because actors will sometimes conform them expediently. Therefore, how to make actors realize these regulations as a necessary rule for health society is quite important.

Through these two theories, we give suggestions about what is necessary for social enterprises to overcome difficulties on human resource management and continue to contribute to realizing inclusive society.

1.2. Policies for work integration of the disabled in Japan

The root of policies for work integration of the disabled in Japan dates back to 1960.

Although the Act on Welfare for Physically Disabled was established in 1949, it was not designated to promote employment of the disabled. Vocational training offered by vocational instruction centers in the nation assumed that the disabled engage in piecework done at home, not work in the mainstream labor market. However, the 1955 ILO Convention 99 on Vocational Rehabilitation and

Employment (Disabled Persons) and the trend in a number of countries in the 1950s to introduce legislation to promote employment of the disabled prompted the Japanese government to tackle work integration earnestly as a national problem. Since then, the Japanese government has mainly taken the following measures.

Quota system

The Act on Employment Promotion of the Physically Disabled set the percentage of the workforce of national and local governments, for-profit companies and QUANGOs that should be comprised of disabled employees in 1960. The Act was relatively remarkable because it introduced the first quota system in Japan; however, it had some defects. Firstly, it was applied to the physically disabled only while the ILO called for full participation and equality for every kind of disorders. Secondly, the achievement of the specified quota was optional, not binding. Thirdly, suggested quota system was complex and unclear for employers to understand. Fourthly, the lowest wage defined by the Act on Minimum Wages did not apply to the physically disabled employees. This means that they still suffer exclusion because the wages they are offered left them economically disadvantaged even if they have access to the mainstream labor market. Shrinkage in the economy and the labor market caused by a series of oil crises in the 1970s further hindered many disabled from getting jobs. As a result, 36% of organizations failed to achieve the quota (Sugihara, 2008).

After unsuccessful attempts, the Japanese government revised the Act on Employment Promotion of the Physically Disabled drastically as a comprehensive and basic policy to promote work integration in Japan in 1976. The Act required national and local governments, QUANGOs and for-profit companies with more than 63 employees to hire a quota of the physically disabled equal to 1.5% of the overall workforce as obligation. For quota purposes, hiring one severely physically disabled person counted the same as hiring two people with moderate disabilities. Furthermore, the government ordered those organizations which could not achieve the quota to make and submit a plan to ensure increase of employment of the disabled. In case organizations ignored the government direction, the government published their names as “non-cooperators for work integration.” In addition, the government required employers to give reasons for the dismissal of disabled employees.

As people with learning difficulties were included in the target of the quota system, the name of the Law changed from the Act on Employment Promotion of the Physically Disabled to the Act on Employment Promotion of the Disabled in 1987. In 1998, the government increased the percentage of the workforce allocated to the hire of people with physical disorders and learning difficulties from 1.6% to 1.8%. In 1999, the government stipulated that for-profit companies with more than 56 employees must achieve the quota. Concerning the mentally disabled, they have long been excluded from the Act on Employment Promotion of the Disabled; however, hiring those people as well as people with physical disorders and learning difficulties was obligated for employers by an amendment to the Act in 2006. In 2013, the government required for-profit companies with more than 50 employees to hire 2.0% of the disabled of overall workforce.

Penalties and incentives

The System of Payment for the Employment of the Disabled¹ was enforced to promote the employment of the disabled by rewarding companies which exceeded the quota at the expense of those who failed to reach in 1977. Originally, a penalty of \$625 a month was levied on for-profit companies with more than 301 employees for every disabled person short of the quota, and companies of a similar size and structure who achieved the quota were paid \$337.5 a month. However, as with the amendment to the Act on Employment Promotion of the Disabled, the target for the System of Payment for Employment of the Disabled was extended to for-profit companies with more than 201 employees, and in 2015, this is going to be extended again to include companies with more than 101 employees.

Special subsidiaries

The system of Special Subsidiaries was introduced in 1976 because the government was worried whether only quota system could promote for-profit companies to hire the disabled even if reaching the quota was obligatory. A special subsidiary is a limited company with an overall workforce of more than 20% disabled (or more than 30% if it included people with learning difficulties) and with special facilities for disabled employees such as barrier-free buildings and highly trained instructors. Firms are able to establish special subsidiary companies as their affiliates just by getting authorization from the Ministry of Labour and Welfare, and they are then able to register the number of disabled employees in their special subsidiary affiliates as if they are employed in their main branches. The special subsidiaries become a means to avoid placing disabled people in the firms' main offices. Indeed, by April 2010 the number of special subsidiaries in the country had gone up to 281 (Ministry of Health, Labour and Welfare, 2010a). Furthermore, the government set an exception to the special subsidiaries for firms in 2009. The target firms are those who are difficult to establish special subsidiaries due to lack of finances and instructors, but put in person in charge of employment promotion of the disabled and ensure employment of the disabled stably in a corporate group. The firms which are applied the exception can count the number of disabled employees in their all subsidiaries as if they are employed in one firm.

Support organizations and facilitators

The first is the Japan Organization for Employment of the Elderly, Persons with Disabilities and Job Seekers established as a QUANGO of the Ministry of Health, Labour and Welfare². One of their most important tasks is to administer the Payment for the Employment of the Disabled, another being the management of two national vocational rehabilitation centers as well as 47 prefectural vocational centers for the disabled. The latter have previously been run in collaboration with the public employment security office in each prefecture. The second is the Centers for Supporting Employment and Quality of Life for the Disabled came into existence in Japan in 2002 through an amendment to the Act on Employment Promotion of the Disabled. The purpose of the centers is to provide a wide range of vocational and lifestyle support on a daily basis through the management of health and money and making good use of leisure time. They work in conjunction with local vocational centers, public employment security offices and medical and welfare organizations to advise employers on support of the disabled at work and at home. In 2009, they supported 65,000 disabled and led 8,100 of them to employment in firms. Currently, there are 316 of these centers in Japan (Ministry of Health, Labour and Welfare, 2009a, 2010b). The third is Employment Support by job coaches

¹ The original name was the System of Payment for the Employment of the Physically Disabled. However, the name was changed to the System of Payment for the Employment of the Disabled because people with all kind of disorders became the target of the system.

² The original name was the Association for Employment of Disabled Persons. Because of transfer of part of businesses of the Association of Employment Development for Senior Citizens in 2003 and the dissolution and transfer of part of businesses of Employment and Human Resources Development Organization of Japan in 2011, the name was changed to the Japan Organization for Employment of the Elderly, Persons with Disabilities and Job Seekers.

introduced in 2003. Job coaches are those who help to develop communication and work skills for disabled employees. They also give advice to employers on the effects of mental disorder as well as suggestions about work assignments, over a period of one to seven months. In addition to employment facilitators assigned to local vocational centers, this sort of work is also undertaken by those who belong to WISEs, social welfare organizations and firms with disabled workers. In total, there were 1061 job coaches working for the benefit of around 3087 disabled in Japan in 2009. Additionally, 84.8% of the disabled received help from job coaches continued to work in firms (Ministry of Health, Labour and Welfare, 2009b).

Thus, various policies for work integration have been implemented since 1960; however, views on the effectiveness were quite different among WISEs. For example, the government strongly warns that for-profit companies must employ their own quota of the disabled, otherwise their name is published as "non-cooperators for work integration" nowadays. Therefore, one WISE considers that the number of for-profit companies consulting about how to achieve the quota is increasing year by year. Another example, a certain WISE claims that most of the disabled workers taken on by one special subsidiary are given part-time jobs which are unrelated to the parent company's business. Others suggest that many of the bigger for-profit companies would rather bear the financial penalty than take on disabled workers and have therefore not tackled work integration seriously³. In fact, the percentage of for-profit companies achieving the quota was limited to 45.3% (Ministry of Health, Labour and Welfare, 2011a). In addition, although the exception to special subsidiaries for medium-sized and small companies was established in 2009⁴, it was abolished one year later because many of them were filled with sustainment of their own employees in severe economic situation and could not afford to provide employment for the disabled. Certain local governments complements national work integration policies and provides necessary financial support for various sizes of companies to hire the disabled actively; however, such an attempt has not spread yet in the nation. As a result, only 5.4% of the 7.4 million disabled are employed in the mainstream labor market in Japan (Cabinet Office, 2010; Ministry of Health, Labour and Welfare, 2009c).

1.3. Policies for workers of WISEs in Japan

In Japan, various social welfare services had been mainly provided by private charitable individuals from before the war. Therefore, the postwar Japanese government needed to promote public-private partnerships to relieve a lot of needy people, protect war orphans and improve living environment of all nations urgently; on the other hand, the government faced the difficult problem from a constitutional view. Concretely, Article 25 of the Constitution declares that the state will endeavor to promote social welfare, security and public health in all spheres of life; however, Article 89 prohibits governments from providing money to charitable, philanthropic and educational service providers who do not belong to government control regardless of any reasons to secure liberty and independence of private sectors. In order to deal with the issue relative to explanation of these Articles, the government enacted the Social Welfare Service Law and introduced a legal form of a social welfare corporation in 1951. In the Law, social welfare works are classified into the following two types.

³ These voices of WISEs were collected by interviews since 2008.

⁴ It was applied when some medium-sized and small companies established a cooperative with an overall workforce of more than 20% disabled and with special facilities for disabled employees like special subsidiaries. They could count the number of disabled employees in their cooperative as if they were employed in each medium-sized and small company.

1. First type social welfare work: Residential facilities for the elderly, people with physical and leaning disorders, orphans, single-parent families and people on welfare, Vocational support centers for people with physical and leaning disorders, Public pawnshops, and Community chest
2. Second type social welfare work: Day services and home welfare services for the elderly, people and children with physical, learning and mental disorders, children, single-parent families and people on welfare

Concerning the second type social welfare works, all organizations can implement it just by notifying starting services to local governments. On the other hand, regarding the first type social welfare works, only governments and social welfare corporations are authorized to engage in it to guarantee stability and avoid risk of exploitation. In order to regard social welfare corporations as organizations belonging to government control, enable governments to provide public money and orders of supply of social welfare services for social welfare corporations, the government set high requirement for getting a legal form of social welfare corporations. For example, applicants for first type social welfare service providers must have own property in land or get permission to use a property from governments. In case of second type social welfare works, applicants need to have a permanent property of more than \$1.3 million. Besides, social welfare corporations have to obey regulations about how to spend and transfer money, and accept public intervention and orders about dismissal of board members and its dissolution.

Thus, the government tightens requirement for establishment and management of social welfare corporations and supervise them; on the other hand, the government provides tax benefits on a corporation tax, a property tax and donations. The government also applies the payment system for a government official to workers of social welfare corporations. However, the government does not apply the rise and allowance systems for a government official to those workers, besides, payment for welfare officials is generally low compared to officials in other areas like administration, education, medical and research (National Personnel Authority, 2011)⁵. Therefore, social welfare corporations faced difficulties to get necessary number of workers and keep competent workers. They raised salary gradually; on the other hand, they could not offer retirement allowance due to lack of financial resources. In order to improve treatment of workers of social welfare corporations and secure future lives and provide social welfare services stably, the government established the Mutual Aid for the Retirement Allowance for Workers of Social Welfare Corporations in 1961. As a result, workers of social welfare corporations can receive almost same amount of retirement allowance as government officials.

Concerning WISEs, they emerged from around 1950s to 1960s and have provided vocational training and work for the disabled in local communities. The disabled who were failed to find jobs in the mainstream labor market were generally forced to enter residential facilities established in a place far from their hometowns or spend daytime in their homes. Therefore, the role of WISEs was great important for the disabled to keep company with various people and continue to live together in their hometowns. WISEs have developed remarkably after 1980s and more than 90,000 disabled people worked there (Ishizawa, 2008). However, in spite of such social significance, the Japanese government did not recognize them as a lawful service provider in the field of welfare and human rights for the disabled. Although the national and some local governments offered subsidies for WISEs, the sum of money was not enough for their management; furthermore, the number of WISEs receiving subsidies was limited. Therefore, WISEs, in general, were forced to operate with severe financial restraints and depend on voluntary labor.

⁵ The reason why payment for welfare officials is low relates with very old-fashioned thought on gender discrimination embedded in Japanese society, i.e., "welfare work is one of housework done by women; therefore, it is not necessary to pay high salary."

The Support Payment System for the Disabled which was started from 2003 changed traditional service provision for the disabled drastically, especially in the following points. Firstly, disabled users and their families could select their preferable service providers, apply for services directly and ask services anytime. Secondly, WISEs were authorized to provide second type social welfare work as governments, social welfare corporations, for-profit companies and medical corporations. As WISEs could receive subsidies on the basis of monthly payment, they could secure finances stably and have paid workers. The Support Payment System for the Disabled provided merits for both disabled users and service providers and boosted use of services. However, the government was unable to meet demand on provision of subsidies because use of services far exceeded original expectations. Although the government prepared \$688 million originally, it faced a shortage of more than \$170 million in fiscal year of 2003. In the next fiscal year, sum of a shortage increased to \$365 million. Protected depression further hindered the government committing subsidies to keeping the System. In order to deal with financial issues urgently, the government decided to abolish payment by the piece and set a ceiling on sum of subsidies to each service in 2004. At the same time, the government reconsidered what policies for the disabled were appropriate and also sustainable in difficult fiscal times. In 2005, the government repealed the Support Payment System for the Disabled and promulgated the Act on Services and Support for the Disabled⁶. In this Act, WISEs to engage in one or more of the following four services for work integration of the disabled: the first is Transitional Support for Work for disabled people who hope to work in for-profit companies and the second is Transitional Support for Work for those who hope to acquire a qualification to start a new business or work from home. Both of these services are limited to disabled people who are under 65 years, and integration into the mainstream labor market has to be achieved within two years. The third and fourth are A-type and B-type Continuative Support for Work in which, unlike Transitional Support for Work, there are no time limits for work integration. The difference between A-type and B-type is that the former target the disabled under 65years and conclude an employment contract with them, while the latter provide a service for all disabled regardless of age and do not demand an employment contract.

On the basis of experience of mismanagement in the Support Payment System for the Disabled, the government mainly took the following measures to commit subsidies stably. The first is to require the disabled users to pay ten percent of the fees for services. The second is to make around one percent reduction in unit price for each service. The third is to change payment procedure from monthly payment to daily payment. As a result, the government could keep down payment to \$4.6 billion successfully while the amount of subsidies had reached \$8.6 billion under the Support Payment System for the Disabled. However, service providers were forced to be in a severe position due to reduction of subsidies and change of payment procedure. According to a survey conducted by Kochi prefecture, 92.2% of service providers reported that their revenues decreased to 10-40%. Although the government implemented financial support for repair and purchase facilities and new projects as transitional measures, service providers thought that they were not helpful to compensate decrease of revenues and had to cut down personnel expenses (Kochi Autonomy Research Center and Seminar for Investigating the Actual Conditions of the Act on Services and Support for the Disabled, 2009). They faced serious worries that deterioration of treatment caused by financial difficulties could hinder them retaining necessary human resources for the disabled. Therefore, while changing unit price for each service every year on the basis of commodity prices, the government introduced additional subsidies to service providers in the field of work integration. They are mainly classified into the following three types. The first is subsidies for care such as providing meals, transfer and medical treatment under cooperation with hospitals. The second is subsidies for work integration. All service providers offering vocational training in for-profit companies are paid additionally. Except for it, requirements for getting additional subsidies are different among Transitional Support for Work, A-type Continuative Support for Work and B-type Continuative Support for Work. Concerning service providers of Transitional Support for Work, they are paid additionally on the basis of track records

⁶ In order to provide comprehensive support encompassing from work, employment, social participation and daily life in local communities, the Act was revised in June of 2012 and started from April of 2013. Accordingly, the name of the Act was changed to the Act on Comprehensive Services and Support for the Disabled.

about how many disabled users find jobs and continue to work in the mainstream labor market. In this subsidy system, the more the disabled users work continuously in the mainstream labor market, the more subsidies are paid to service providers. Service providers having workers finishing courses in work integration is also target of additional subsidies. On the other hand, converse measures that subsidies are decreased to service providers not having track records on work integration for past 3 – 4 years has been implemented from October of 2012.

As A-type Continuative Support for Work, service providers are subsidized in case they provide careful support for work integration and can connect more than 5% of the disabled users with the mainstream labor market continuously. More specifically, service providers allocating one worker for seven disabled users are the target while the standard allocation is one worker for ten disabled users. Same measures are introduced to service providers for B-type Continuative Support for Work. Besides, considering the fact that salary of disabled users of B-type Continuative Support for Work is lower than that of disabled users of A-type Continuative Support for Work due to no employment contract⁷, additional subsidies for achievement of target salary is set. When service providers can offer salary which exceeds the target as well as one third of minimum wages defined by the Law, they are subsidized. Service providers allocating one worker for six disabled users to achieve target salary are also paid. The third is to provide support for various disorders. All service providers are required to support people with mental disorders, an eyesight loss, hearing loss and speech defect to get additional subsidies. Furthermore, supporting persons having severe disorders is set as requirement for subsidies for A-type and B-type Continuative Support for Work.

Thus, the government attempted to promote work integration of the disabled and also help service providers to secure necessary finances and workers to support the disabled sustainably. Furthermore, the government offered around \$167 per worker a month to service providers who tried to improve treatment of workers from October of 2009. In order to get the direct subsidy for workers, service providers had to make a plan for raising wages of more than \$167, announce the contents of the plan to all workers and get approval of prefectural governments. In addition to such a quantitative requirement, the government introduced new requirements for getting the direct subsidy for workers in 2010. The contents of new requirements are as follows.

1. Entrusting a task on the basis of qualifications, skill and knowledge of each worker
2. Paying salary on the basis of qualifications, skill and knowledge of each worker
3. Telling all workers appointment and salary systems clearly in documents

The government also offers the direct subsidy for workers fully to service providers who can't meet the above requirements but satisfy the following

1. Setting an objective and acting for realizing it such as developing skill, abilities for communication, management and cooperation and further getting various qualifications to improve quality of services through exchange of opinions with all workers
2. Providing training to workers, evaluating their ability and supporting them to get qualifications

While service providers who can't either quantitative requirement or career requirements are made a 10% reduction in the subsidies for each service, service providers who can't both requirements are made 20% reduction in the subsidies for each service. However, the number of applicants for the direct subsidy for workers was limited because, first of all, it was difficult to satisfy the first requirement, i.e., raising wages of more than \$167. For example, in the filed of care service, the third sector and for-profit companies which applied for the direct subsidy for workers was limited to about 70% while 95% of social welfare corporation applied for it (Ministry of Health, Labour and Welfare, 2010c). Therefore, the government decided to offer \$56 per worker a month to service providers who tried to raise wages more or less in 2012.

⁷ According to the Ministry of Health, Labour and Welfare, average monthly salary of the disabled users of B-type Continuative Support for Work was limited to \$145 while that of the disabled users of A-type Continuative Support for Work was \$842 (Ministry of Health, Labour and Welfare, 2011b).

In 2004, it was indicated whether the Mutual Aid for the Retirement Allowance for Workers of Social Welfare Corporations needed to be abolished because not only social welfare corporations but also other organizations like WISEs, other type of nonprofit organizations and for-profit companies engaged in support for the vulnerable people. However, the special support for workers of social welfare corporations still exists due to no progress with discussion. On the other, there is no special support for WISEs to improve treatment of workers and continue to dedicate themselves for social inclusion of marginalized people without worries.

2. METHODOLOGY

This study employs an empirical mixed-method research with two clear stages of the research. In the first stage, a questionnaire was sent to 1000 Japanese WISEs between July and August of 2012. Valid responses were 350. We set the following questions on the basis of a framework suggested by Borzaga and Solari (2001) and then, attempted to make clear what kind of factors have effects on challenges which WISEs are facing in the area of human resource management through Chi-Square Test.

Question1. In terms of management of workers, what kind of problems are you facing?

Question2. How workers are normally recruited?

Question3. What is the average yearly wages for full time and part time workers respectively?

Question4. What are the criteria for payment for workers?

Question5. What kind of welfare measures in your WISEs apply for workers?

Question6. What do you implement for improving/keeping communication among workers and between workers and director?

Question7. What do you implement so that your workers can understand and practice your mission, vision and policy?

Question8. What support is provided for workers to improve their performance and that of your WISEs?

Referring materials describing ordinary methods used by many organizations, we made choices for each question, but we explain choices and ways of analysis for Questions 3 and 5. In Question3, we asked the average yearly wage of full time workers and part time workers concretely. However, according to the Ministry of Health, Labour and Welfare (2010d), the average yearly wage of full time workers and part time workers in welfare service area is \$26,600 and \$13,800 respectively. Therefore, fixing those sums as a standard, we investigated whether and how high or low wages relate with issues on human resource management WISEs are facing. Concerning Question5, employee's pension, unemployment insurance, workmen's accident compensation insurance and health check are supposed as parts of main welfare provided for workers. Indeed, the law lay down that employees must offer those measures for workers. Therefore, we focus on other welfare measures which are not necessarily stipulated such as housing allowance, allowance for family, retirement allowance, child care and elderly care leave, and looked into causal relationships between them and issues which WISEs are facing.

The second stage was consisted of semi-structured interviews with representatives and secretary-generals of some of WISEs participated in the survey. This qualitative study enables us to corroborate the results obtained from the survey and at the same time get more insights.

The reasons why we decided to focus on WISEs for this study is twofold: First, human resource management acquires a much more important role when an organization has to promote social inclusion of marginalized people. Second, as described in the former section, the disabled are the most excluded group of people in Japan and it has been the focus of our researches for a long time (see: Laratta et.al., 2011; Nakagawa and Laratta, 2012).

3. PRESENTATION OF FINDINGS

Existing researches indicate that workers in the third sector choose the organization and agree to donate labor willingly because of sympathy for mission and social usefulness of work (e.g., Almond and Kendall, 2000; Bacchiga and Borzaga, 2003; Light, 2002; Mirvis, 1992). However, we found that many WISEs face lack of applicants, few young people and difficulty to promote understanding and practice of their mission, vision and policy among workers (see: Table 1).

Table 1 Issues which WISEs are facing in the area of human resource management

We are not able to keep workers	8%
There are no so many applicants, if we call for new worker	14%
Young workers are hard to recruit	24%
Communication among workers and between workers and director is not very smooth	10%
Workers do not understand organizational mission, vision and policy and practice them	14%
Lack of motivation to improve among workers	5%
No problem in managing workers	15%
Others	10%

Notes: (1) They are based on multiple answers. (2) Sample size is 350.

That is to say, social enterprises are not necessarily appealing workplace in Japan and not all workers select the social enterprises as their jobs positively on the basis of organizational mission and activity. Indeed, many WISEs which we have interviewed told that workers generally regard WISEs as places to earn their daily bread and do not have interest in mission of organization. In order to attract many and young workers, prompt them to understand and practice organizational mission, vision and policy and work for social inclusion of marginalized people as the entire organization, as Table 2 shows, social enterprises need to make strategy on human resource management especially focusing on recruitment methods, criteria for payment, welfare measures and training for workers.

Table 2 Factors in three major issues on management of workers

		Lack of applicant	Few young people	Difficulty to promote understanding and practice of mission, vision and policy
Recruitment	Only formal channels or only or also informal channels	0.00314*	0.00151*	0.27309
Yearly wages	More than \$26,600 to a full-time worker	0.88331	0.26071	0.46391
	More than \$13,800 to a part-time worker	0.99804	0.84135	0.56885
Criteria for payment	Working tasks	0.44083	0.10818	0.81367
	Special skills and ability	0.77620	0.93816	0.79470
	Number of attendance	0.80343	0.30268	0.98605
	Degree of understanding and practice of mission, vision and policy	0.31018	0.89359	0.90049
	Desire and positive attitude to work	0.94607	0.14859	0.10297
	Personality and spirit of cooperation	0.41384	0.30756	0.02716*
	Reputation among other workers and disabled users	0.86970	0.76498	0.05930
	Length of working	0.42037	0.54372	0.01104*
	Age	0.84731	0.78640	0.49410
Educational background	0.92246	0.05325	0.30187	
Welfare measures	Housing allowance	0.05243	0.00756*	0.39516
	Allowance for family	0.36734	0.30757	0.10629
	Retirement allowance	0.10970	0.03145*	0.11168
	Child care leave and part time	0.07681	0.74912	0.64388
	Elderly care leave	0.00937*	0.08969	0.22170
Ways for improving and keeping communication	Events and recreation	0.31658	0.09731	0.33733
	Dairy and organizational blog	0.92739	0.91603	0.87961
	Conducting hearing and satisfaction survey	0.76269	0.46100	0.92879
	Regular meeting with director	0.60468	0.15059	0.81549
	Coaching	0.92916	0.83517	0.49099
	Consultation on their career	0.87144	0.62643	0.59798
	System that worker can apply to work they want to	0.50218	0.96214	0.49441
	System that call for ideas about organizational management and business contents	0.75991	0.44193	0.66314
Ways for promoting understanding and practice of mission, vision and policy	On the job training	0.27524	0.28802	0.73809
	Study meeting within organization	0.40067	0.87132	0.59628
	Participation in lectures relative to mission, vision and policy implemented outside organization	0.39650	0.54081	0.82620
	Training in other WISEs having similar mission, vision and policy	0.85933	0.78357	0.09562
	Regular meeting with director	0.96355	0.12495	0.30721
	Having workers telling status of achievement of purpose	0.56316	0.34440	0.74892
Ways for enhancing skills and ability of workers	On the job training	0.23735	0.48104	0.69294
	Off the job training	0.12289	0.10245	0.90091
	Self enlightenment	0.96638	0.03802*	0.90182
	Support for getting qualification	0.72614	0.19143	0.41058
	Providing information on educational training implemented outside organization	0.44924	0.19490	0.27238

Notes: (1) Each figure shows p-value. (2) Sample size is 350.

Recruitment

Unlike Mosca and Pastore (2008) suggesting informal channels as an effective way to get highly motivated workers, our research shows that recruitment methods do not affect degree of understanding and practice of mission, vision and policy among workers. However, we found what kind of recruitment methods WISEs take is crucial to tackle problems of lack of applicants and few young people. Table 3 demonstrates that WISEs facing the issue of lack of applicants depend on formal channels such as Hello Work, Welfare Human Resource Center Bank, website on job offer and newspaper advertisement and do not use informal channels such as asking acquaintance to introduce suitable person and picking up suitable person from volunteers. For example, the representative of Kyodo Yurakusha using formal channels said,

“We have not been able to find applicants although we have offered a job for around a year.”

This means that social enterprises need to adopt informal channels as their recruitment methods; however, depending on informal channels cause another issue of few young people as Table 4 indicates. In order to solve such dilemma, social enterprises are required to use both channels in recruitment. Moreover, they have to find ways to induce many and young people to have interest in their activities and apply for a job. For example, Yume no Ki Okhotsk put a want advertisement including explanation of the organizational background, activities and mission in some universities. As a result, Yume no Ki Okhotsk has successfully obtained new young workers who have strong sympathy for the organization, not regard it as a mere workplace. Sapporo Challenged also got 20 young applicants by mentioning a kind of job such as accounting, sales and public relations in an want advertisement and not setting “having interest in welfare” as requisite for applicants.

Table 3 Effects of recruitment methods on the issue of lack of applicants

	WISEs facing the issue of lack of applicants	WISEs not facing the issue of lack of applicants
Only using formal channels	62%	42%
Only or also using informal channels	38%	58%

Notes: (1) Sample size of WISEs was 350. (2) $\chi^2(1, 0.05) = 8.72324$ (3) p-value=0.00314.

Table 4 Effects of recruitment methods on the issue of few young people

	WISEs facing the issue of few young people	WISEs not facing the issue of few young people
Only using formal channels	31%	49%
Only or also using informal channels	69%	51%

Notes: (1) Sample size of WISEs was 350. (2) $\chi^2(1, 0.05) = 10.06252$ (3) p-value= 0.00151.

Payment criteria

Li-Ping and Sarsfield-Baldwin (1996) suggest that fair payment system in the third sector is an important factor to encourage workers to work for society. As related issue, we confirmed that WISEs not facing difficulty to promote understanding and practice of mission, vision and policy among workers attach importance to personality and spirit of cooperation and do not consider working length as a payment criteria (see: Tables 5 and 6). Spirit of cooperation is crucial for social enterprises to practice and spread solidarity-based economy needless to say. Therefore, our finding indicates that social enterprises more take care of fundamental aspect required for workers of “social enterprises”, not surface and ordinary aspect like working length when they decide how much salary

they offer. Although more than 30% of WISEs participated in the survey include working length as one of the important criteria for payment, some WISEs begin to realize that they more focus on character required for workers of social enterprises. For example, the representative of Pao said,

“Compared to other fields, salary is low and there are few chances of promotion in the filed of work integration. In order to encourage workers to continue to sympathize with our mission, vision and policy and reflect them in their action, we have to evaluate personality and daily efforts of workers enabling us to create and spread solidarity within and outside of the organization smoothly and give praise for them in payment.”

Table 5 Effects of payment criteria on the issue of difficulty to promote understanding and practice of mission, vision and policy

	WISEs facing the issue of difficulty to promote understanding and practice of mission, vision and policy	WISEs not facing the issue of difficulty to promote understanding and practice of mission, vision and policy
Not setting personality and cooperation as criteria	88%	75%
Setting personality and cooperation as criteria	12%	25%

Notes: (1) Sample size of WISEs was 350. (2) $\chi^2(1, 0.05) = 4.88052$ (3) p-value=0.02716.

Table 6 Effects of payment criteria on the issue of difficulty to promote understanding and practice of mission, vision and policy

	WISEs facing the issue of difficulty to promote understanding and practice of mission, vision and policy	WISEs not facing the issue of difficulty to promote understanding and practice of mission, vision and policy
Not setting length of working as criteria	52%	69%
Setting length of working as criteria	48%	31%

Notes: (1) Sample size of WISEs was 350. (2) $\chi^2(1, 0.05) = 6.45961$ (3) p-value=0.01104.

Welfare measures

Concerning this aspect, we got two interesting findings. The first is that offering elderly care leave hinders social enterprise attracting many applicants as Table 7 shows. Elderly care leave was introduced as same as child care leave through the Child Care and Family Care Leave Law; however, only elderly care leave work on applicants as a negative factor. As the reason, we guess that applicants feel that organizations force them to always engage in care; therefore, they do not take elderly care leave as favourable welfare measures. As Ridley-Duff and Bull (2011) suggests that well human resource management is realized through not only written contracts but also psychological contracts. Therefore, social enterprises are required to consider psychological effects on workers and provide appropriate welfare measures for them.

Table 7 Effects of welfare measures on the issue of lack of applicants

	WISEs facing the issue of lack of applicants	WISEs not facing the issue of lack of applicants
Not providing elderly care leave as welfare	61%	77%
Providing elderly care leave as welfare	39%	23%

Notes: (1) Sample size of WISEs was 350. (2) $\chi^2(1, 0.05) = 6.75116$ (3) p-value=0.00937.

The second is, as Tables 8 and 9 show, housing allowance and retirement allowance is necessary factors to attract young people although high wages are not required. Indeed, WISEs like Moegi and Burari, which can not gather young people and depend on retirees and housewives does not offer monetary support for current and future living of workers; on the other hand, WISEs which can obtain and keep young people make efforts to provide enough monetary support for their living. For example, Yume no Ki Okhotsk where the average age of workers is 30 provides both housing allowance and retirement allowance so that young workers can continue to dedicate themselves to working there for social inclusion of the disabled without worries for their current and future living. Taimu offers a company house for workers; besides, it has consulted about establishment of retirement allowance.

Table 8 Effects of welfare measures on the issue of few young people

	WISEs facing the issue of few young people	WISEs not facing the issue of few young people
Not providing housing allowance as welfare	84%	71%
Providing housing allowance as welfare	16%	29%

Notes: (1) Sample size of WISEs was 350. (2) $\chi^2(1, 0.05) = 7.13533$ (3) p-value=0.00756.

Table 9 Effects of welfare measures on the issue of few young people

	WISEs facing the issue of few young people	WISEs not facing the issue of few young people
Not providing retirement allowance as welfare	60%	47%
Providing retirement allowance as welfare	40%	53%

Notes: (1) Sample size of WISEs was 350. (2) $\chi^2(1, 0.05) = 4.62832$ (3) p-value=0.03145.

Training

Although many works suggest importance of training for workers to improve quality of services and enhance competitive advantage of social enterprises, not so many researches clearly show how and what kind of training move workers to understand organizational mission, vision and policy and reflect them into their action empirically. However, Table 10 demonstrates that training is crucial to promote understanding and practice of mission, vision and policy among workers and social enterprises must provide opportunities for enhancing skills and ability for workers positively, not entrust individual action. In order to raise workers acting for realizing and spreading democracy and solidarity in both social and economic spheres, Life provides various training for workers like holding lectures by the secretary-generals regularly, participating in practical and theoretical training outside of the organization and learning experience and knowledge from participants. Furthermore, Life has

workers figure out turnover and make strategy on sales with disabled users. In case of Recovery, an experienced worker is paired with a new worker, gives instruction on how to support individual woman suffering from mental disorders and tells necessary references on relations between women and mental disorders. Through these ways, Recovery encourages workers to understand the reasons why the woman face mental disorders well, provide necessary and appropriate support for her and reintegrate her with society.

Table 10 Effect of Ways for enhancing skills and ability of workers on the issue of difficulty to promote understanding and practice of mission, vision and policy

	WISEs facing the issue of difficulty to promote understanding and practice of mission, vision and policy	WISEs not facing the issue of difficulty to promote understanding practice of mission, vision and policy
Not utilizing self enlightenment	70%	80%
Utilizing Self enlightenment	30%	20%

Notes: (1) Sample size of WISEs was 350. (2) $\chi^2(1, 0.05) = 4.30398$ (3) p-value=0.03802.

4. DISCUSSION AND CONCLUSION

In this study, we found that Japanese social enterprises face challenges with their human resource management, especially about lack of applicants, few young people and difficulty to promote understanding and practice of mission, vision and policy among workers. In order to solve these problems, social enterprises need to find strategic thoughts and carry out them, not merely holding and telling noble mission. Concretely, as the crossroads of the cooperatives and nonprofits, social enterprises have to evaluate “spirit of cooperation” and “personality” of workers as payment criteria rather than working length. Moreover, as the crossroads of the for-profits and nonprofits, they are required to employ more ordinary methods like adopting recruitment ways enabling them reach many young people through both formal and informal channels, providing monetary welfare measures for current and future living of workers and supporting workers positively to develop skills and ability for their career.

Thus, human resource management is fundamentally an organizational issue; however, it becomes also a social issue due to the following reasons. The first is lack of recognition about social enterprises as a workplace among the public. In Japan, unemployment of the youth between aged 15 to 24 is 8.2% and it is around double other age groups (Ministry of Health, Labour and Welfare, 2012). More than 1.1 million young people under 34 can not get stable jobs in spite of their will to work and have strong concerns about their future; on the other hand, Japanese social enterprises can not get many young workers and are anxious about their sustainability. The reason why such a mismatch occurs is that many people do not understand economic role of social enterprises. In general, Japanese children rarely get opportunities to learn economic and labor aspect of social enterprises even if they know social contribution of social enterprises through the period of integrated society in primary, junior and senior high schools. Therefore, the representative of Sapporo Challenged said,

“Many young people were surprised that social enterprises offer a job.”

The second is lack of recognition about social enterprises as a workplace among for-profit companies and governments. According to the result of our survey, 60% of social enterprises receive direct orders from for-profit companies; however, it does not necessarily mean that for-profit companies regard social enterprises as a proper business partner. For example, the representative of Kyodo Yurakusha said,

“We declined a job about the posting advertisement from a large real estate company. Because the company said that \$0.06 per the posting which we offered was too high and instead proposed \$0.03 per the posting since we are WISE. We think that many for-profit companies look on WISEs as a cheap tool and try to utilize us to cut down expenses.”

The representative of Pao also said,

“Although CSR is fashionable among for-profit companies, unfortunately, many for-profit companies do not work on it seriously. Hiring the disabled must be the most important CSR activity. If it is difficult to pursue it, for-profit companies should place an order from WISEs to contribute to realizing better society. In reality, many of them neither employ the disabled nor offer placement for us.”

Concerning governments, many WISEs which we interviewed told governments except for welfare departments usually put the work out to for-profit companies, not social enterprises. Few or lack of placement from for-profit companies and governments at the right price hinders social enterprises securing enough money to support current and future living of workers and provide opportunities and supportive environment to develop skills and ability for workers. The representative of Moegi said,

“Lack of funds hampers nurturing human resources. We would like to ask for-profit companies and governments to place an order so that we can offer various support for workers for their career and contribute to promoting social inclusion of the disabled sustainably.”

The Act to Promote Placing an Order from Organizations in the Field of Work Integration was enforced from April of 2013. It is remarkable as the first national policy which clearly aims at ordering many jobs from organizations tackling social exclusion and achieving economic independence and social participation of the disabled; however, placement is not necessarily obligation. Therefore, as Scott (1995) warns, the Act has a possibility to become mere material consequences. In addition, the target of the Act is only governmental sector and for-profit companies are not included. In order to implant cognition that working in social enterprises and ordering jobs from social enterprises is usual and not rare cases among the public, for-profit companies and governments, it is crucial to carry out at least the following plans.

1. Implementing learning by experience of workplace and occupation in social enterprises for students as one of classes so that children can know social enterprises from not only social aspect but also labor aspect and include working in social enterprises in their future choices.
2. Establishing systematic courses to study social enterprises as an economic entity in higher education. The courses are required to cover various subjects like management of finances and human resources, strategic planning, sales, promotion and negotiations with other sectors. It could encourage young people to think about working in social enterprises seriously and concretely. It could also become a help to produce high competent young workers for social enterprises and to enhance ability to pursue and obtain jobs from for-profit companies and governments.
3. Stipulating that for-profit companies and governments order some percentages of their jobs from social enterprises as duty. Especially, it is necessary that governments place an order from social enterprises by their own initiatives as a model.

4. Gathering information on business contents and strength of each social enterprise and telling it to for-profit companies at local level so that for-profit companies can grasp potential business partners and contact with them more easily. This work could be done by partnerships between local governments and intermediary organizations.

5. Introducing good examples for placement from for-profit companies and governments to social enterprises through various channels such as publication, website and seminars. National and local governments, economic circles like the Federation of Economic Organizations, Association of Corporate Executives and Chamber of Commerce and Industry, and intermediary organizations could work together for it.

6. Investigating economic contribution of social enterprises and publishing the result broadly. It could be useful for every people and organizations can know social enterprises well. Intermediary organizations could fill the role.

When the public, for-profit companies and governments can deepen understanding of social enterprises from social and economic views and evaluate their activities appropriately, not only social enterprises but also our society can become sustainable.

REFERENCES

- Anheier, H. K. (2005). *Nonprofit Organizations: Theory, Management, Policy*, London: Routledge.
- Almond, S., and Kendall, J. (2000). *Paid Employment in the Self-Defined Voluntary Sector in the Late 1990s: An Initial Description of Patterns and Trends*, http://eprints.lse.ac.uk/29038/1/CSWP_7_final.pdf (Access to May 10, 2006)
- Bacchiaga, A., and Borzaga, C. (2003). The economics of the third sector: Toward a more comprehensive approach. In H. Anheier and A. Ben-Ner (eds.), *The Study of the Nonprofit Enterprise: Theories and Approaches*, 27-48, New York: Kluwer Academic/Plenum Publishers.
- Ben-Ner, A., Ren, T., and Paulson, D. F. (2011). A sectoral comparison of wage levels and wage inequality in human services industries. *Nonprofit and Voluntary Sector Quarterly*, 40 (4), 608-633.
- Benz, M. (2005). Not for the profit, but for the satisfaction? Evidence on worker well-being in non-profit firms. *Kyklos*, 58 (2), 155-176.
- Borzaga, C., and Depedri, S. (2005). Interpersonal relations and job satisfaction: Some empirical results in social and community care services. In B. Gui and R. Sugden (eds.), *Economics and Social Interaction: Accounting for Interpersonal Relations*, 132-153, Cambridge, UK: Cambridge University Press.
- Borzaga, C., and Solari, L. (2001). Management challenges for social enterprises. In C. Borzaga and J. Defourny (eds.), *The Emergence of Social Enterprise*, 333-349, London: Routledge.
- Borzaga, C., and Tortia, E. (2006). Worker motivations, job satisfaction, and loyalty in public and nonprofit social services. *Nonprofit and Voluntary Sector Quarterly*, 35 (2), 225-248.
- Bucolo, E. (2006). French social enterprises: A common ethical framework to balance various objectives. In M. Nyssens (ed.), *Social Enterprises*, 59-71, London: Routledge.
- Cabinet Office (2010). *White Paper on the Disabled (Shougaiha Hakusho)*, http://www8.cao.go.jp/shougai/whitepaper/h22hakusho/gaiyou/pdf/g1_01.pdf (Access to October 28, 2010) (in Japanese)
- CECOP (2006). *Comparative Table of Existing Legislation in Europe*, <http://europeandcis.undp.org/files/uploads/legislation%20social%20coop%20social%20enterprise%20final%20EN.pdf> (Access to July 27, 2008)
- Dees, J. G. (1998). Enterprising nonprofits. *Harvard Business Review*, 76 (1), 55-67.
- Dees, J. G., and Economy, P. (2001). Social entrepreneurship. In J. G. Dees, J. Emerson and P. Economy (eds.), *Enterprising Nonprofits: A Toolkit for Social Entrepreneurs*, 1-18, New York: John Wiley & Sons, Inc.
- Defourny, J. (2001). Introduction: From third sector to social enterprise. In C. Borzaga and J. Defourny (eds.), *The Emergence of Social Enterprise*, 1-28, London: Routledge.
- Defourny, J., and Spear, R. (1995). Economics of cooperation. In R. Spear and H. Voets (eds.), *Success and Enterprise. The Significance of Employee Ownership and Participation*, 8-39, Aldershot: Avebury.
- Department of Trade and Industry (DTI) (2002). *Social Enterprise: A Strategy for Success*, http://www.seeewiki.co.uk/~wiki/images/5/5a/SE_Strategy_for_success.pdf (Access to February 13, 2008)
- Frank, R. (1996). What price the high moral ground? *Southern Economic Journal*, 63, 1-17.
- Grenier, P. (2003). Reclaiming enterprise for the social good: The political climate for social entrepreneurship in UK. *The 32nd Annual ARNOVA Conference*, Denver, Colorado, US.
- Handy, F., and Katz, E. (1998). The wage differential between nonprofit institutions and corporations: Getting more by paying less? *Journal of Comparative Economics*, 26, 246-261.
- Hynes, B. (2009). Growing the social enterprise—issues and challenges. *Social Enterprise Journal*, 5 (2), 114-125.
- Ishizawa, T. (2006). Hope for work and living in communities: we have provided work for the disabled for 20 years (Chiiki de hatarakitai, kurashitai: shougaiha no syurou ninai 20 nen), *Iword*, 298, http://www.iword.co.jp/modules/uu_cart/?ucart=main&item=598 (Access to August 2, 2008) (in Japanese)
- Kandel, E., and Lazear, E. (1992). Peer pressure and partnerships. *Journal of Political Economy*, 100

(4), 801-817.

- Kerlin, J. A. (2006). Social enterprise in the United States and Europe: Understanding and learning from the differences. *Voluntas*, 17 (3), 247-263.
- Kochi Autonomy Research Center and Seminar for Investigating the Actual Conditions of the Act on Services and Support for the Disabled (Kochi Ken Jichi Kenkyu Center Shougaisha Jiritsu Shienhou Sikougo no Jittai Chousa Kenkyukai) (2009). *Effects of the Act on Services and Support for the Disabled on Service Providers in Kochi Prefecture (Shougaisha Jiritsu Shienhou to Kochi Ken no Jittai)*, Kochi Autonomy Research Center and Seminar for Investigating the Actual Conditions of the Act on Services and Support for the Disabled (Kochi Ken Jichi Kenkyu Center Shougaisha Jiritsu Shienhou Sikougo no Jittai Chousa Kenkyukai). (in Japanese)
- Laratta, R., Nakagawa, S., and Sakurai, M. (2011). Japanese social enterprises: Major contemporary issues and key challenges. *Social Enterprise Journal*, 7 (1), 50 – 68.
- Leete, L. (2006). Work in the nonprofit sector. In W. W. Powell and R. Steinberg (eds.), *The Nonprofit Sector: A Research Handbook*, 159-179, New Haven, CT: Yale University.
- Light, P. (2002). The content of their character: The state of the nonprofit workforce. *Nonprofit Quarterly*, 9 (3), 6-19.
- Li-Ping Tang, T., and Sarsfield-Baldwin, L. J. (1996). Distributive and procedural justice as related to satisfaction and commitment, SAM. *Advanced Management Journal*, 25-31.
- Meyer, J. W., and Rowan, B. (1977). Institutionalized organizations: Formal structure as myth and ceremony. *American Journal of Sociology*, 83, 340-363.
- Ministry of Health, Labour and Welfare (2009a). *Support for both Employment and Life (Syugyoumen to Seikatsumen niokeru Ittaitekina Shien)*, <http://www.mhlw.go.jp/bunya/koyou/shougaisha02/pdf/14.pdf> (Access to February 5, 2013) (in Japanese)
- Ministry of Health, Labour and Welfare (2009b). *System on Supported Employment (Shokuba Tekiou Enjyosha (Jyobu Cochi) niyoru Shien ni tsuite)*, <http://www.mhlw.go.jp/bunya/koyou/shougaisha02/pdf/13.pdf> (Access to March 23, 2011) (in Japanese)
- Ministry of Health, Labour and Welfare (2009c). *Actual Condition on Employment of the Disabled as of June 1 of 2009 (Heisei 21 nen 6 gatsu tsuitachi genzai no shougaisha no koyou jyoukyou ni tsuite)*, <http://www.mhlw.go.jp/stf/houdou/2r98520000002i9x.html> (Access to October 28, 2010) (in Japanese)
- Ministry of Health, Labour and Welfare (2010a). *List on the Special Subsidiary (Tokurei Kogaisha Ichiran)*, <http://www.mhlw.go.jp/bunya/koyou/shougaisha02/pdf/20.pdf> (Access to March 23, 2011) (in Japanese)
- Ministry of Health, Labour and Welfare (2010b). *List on the Center for Supporting Employment and Life of the Disabled in the Fiscal Year of 2010 (Heisei 22 Nendo Shougaisha Syugyou/Seikatsu Sentaa Ichiran)*, <http://www.mhlw.go.jp/bunya/koyou/shougaisha02/pdf/10.pdf> (Access to March 23, 2011) (in Japanese)
- Ministry of Health, Labour and Welfare (2010c). *Ways for Securing Human Resources and Improving Treatment for Workers in the Field of Care Service (Kaigo Jinzai no Kakuho to Shoguu no Kaizensaku ni tsuite)*, <http://www.mhlw.go.jp/stf/shingi/2r9852000000sj2d-att/2r9852000000sj4y.pdf> (Access to February 13, 2013) (in Japanese)
- Ministry of Health, Labour and Welfare (2010d). *Wage Statistics of 2010 (Heisei 22 Nen Chingin Kouzou Kihon Toukei Chousa)*, <http://www.mhlw.go.jp/toukei/itiran/roudou/chingin/kouzou/z2010/> (Access to November 12, 2012) (in Japanese)
- Ministry of Health, Labour and Welfare (2011a). *Result of the Survey on Employment of the Disabled in 2011 (Heisei 23 nen Shougaisha Koyou Jyoukyou no Syukei Kekka)*, <http://www.mhlw.go.jp/stf/houdou/2r9852000001vuj6.html> (Access to November 5, 2012) (in Japanese)
- Ministry of Health, Labour and Welfare (2011b). *Materials for the Fifth Committee for Considering the Revision of Payment for Service Providers for the Disabled (Dai Go Kai Shougai Fukushi Service tou Houshu Kaitei Kentou Team Siryo)* <http://www.mhlw.go.jp/stf/shingi/2r9852000001x39i.html> (Access to January 29, 2013) (in

Japanese)

- Ministry of Health, Labour and Welfare (2012). *Current Situation and Measures on Employment of the Young People (Jhakunensha Koyou no Genjyo/Taisaku ni tsuite)*, http://www.mhlw.go.jp/english/dl/employment_jpn.pdf (Access to March 4, 2013)
- Mirvis, P. H. (1992). The quality of employment in the nonprofit sector: An update on employee attitudes in nonprofit versus business and government. *Nonprofit Management and Leadership*, 3 (1), 23-41.
- Mosca, M., and Pastore, F. (2008). Wage effects of recruitment methods: The case of the Italian social service sector. *IZA (Institute for the Study of Labor) Discussion Paper*, 3422, <http://ftp.iza.org/dp3422.pdf> (Access to July 27, 2009)
- Nakagawa, S., and Laratta, R. (2012). Public policy and social innovation: A study of Work Integration Social Enterprises (WISEs) in Japan. *Leadership and Policy Quarterly*, 1, 13-34.
- National Personnel Authority (2011). *White Paper on Public Officers (Koumuin Hakusho)*, http://ssl.iinji.go.jp/hakusho/hakusho23/23_1-3-3.pdf (Access to February 19, 2013) (in Japanese)
- Nicholls, A. (2005). Measuring impact in social entrepreneurship: New accountabilities to stakeholders and investors? *Working Paper: Skoll Centre for Social Entrepreneurship*, Oxford: University of Oxford.
- North, D. (1990). *Institutions, Institutional Change and Economic Performance*, Cambridge: Cambridge University Press.
- Osborne, D., and Gaebler, T. (1992). *Reinventing Government: How the Entrepreneurial Spirit is Transforming the Public Sector*, Reading, MA: Addison-Wesley.
- Pezzini, E. (2012). *The Cooperative Model Has so much more to Contribute to Our Globalized Societies*, <http://www.thenews.coop/article/%E2%80%9C-cooperative-model-has-so-much-more-contribute-our-globalized-societies%E2%80%9D-enzo-pezzini> (Access to February 7, 2013)
- Powell, W. W., and DiMaggio, P. J. (eds.) (1991). *The New Institutionalism in Organizational Analysis*, Chicago, IL: University of Chicago Press.
- Preston, A. E. (1989). The nonprofit worker in a for-profit world. *Journal of Labor Economics*, 7, 438-463.
- Ridley-Duff, R., and Bull, M (2011). *Understanding Social Enterprise*, London: SAGE publication.
- Schutz, W. (1994). *The Human Element: Productivity, Self-Esteem, and the Bottom Line*, San Francisco, Jossey-Bass Publishers.
- Scott, R. W. (1992). *Organizations: Rational, Natural, and Open Systems*, Englewood Cliffs, NJ: Prentice-Hall.
- Scott, R. W. (1995). *Institutions and Organizations*, Thousand Oaks, CA: Sage.
- Sugihara, T. (2008). Transition and characteristics on public policy for work integration of the disabled after the war in Japan (*Sengo wagakuni ni okeru shougai sha koyou taisaku no hensen to tokucho*), *Journal of the Faculty of Social Welfare*, 4, 91-108. (in Japanese)