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The Journey to Embedding Social Value within a Third Sector Employability Organisation:
Towards Sustainable and Responsible Business

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Summary:

This paper focuses on Routes To Work, an employability and skills Third Sector Organisation based in North Lanarkshire, who have commenced the journey to embedding social value in their work, specifically in their approach to working with employability clients. Through a Management KTP with the University of the West of Scotland, they have been developing an evaluation approach that they hope will make both their employability initiatives and their organisation more sustainable.

Set against a backdrop of the devolution of some employability support to the Scottish Parliament and the creation of employability programmes focused more broadly on societal challenges of health, justice, and housing, we seek to answer the question, can a social value approach to employability work influence a more sustainable approach to employability support at the individual level, and enhance both organisational sustainability and the wider sustainability of employability interventions.

1. Introduction

This paper focuses on Routes To Work, an employability and skills Third Sector Organisation (TSO) based in North Lanarkshire, who have commenced the journey to embedding social value in their work, specifically in their approach to working with employability clients. Through a Management KTP with the University of the West of Scotland, they have been developing an evaluation approach that they hope will make both their employability initiatives and their organisation more sustainable.

Set against a backdrop of the devolution of some employability support to the Scottish Parliament and the creation of employability programmes focused more broadly on societal challenges of health, justice, and housing, we seek to answer the question, can a social value approach to employability work influence a more sustainable approach to employability support at the individual level, and enhance both organisational sustainability and the wider sustainability of employability interventions.

As this research is still in development, our findings are based upon initial data from a pilot phase of the work. We will continue to gather further data. However, early indications suggest that this research can contribute to debates on business sustainability, employability, and social value.

2. Routes to Work

Routes to Work is primarily funded by North Lanarkshire Council, but also attracts funding to deliver specific projects by other funders, e.g., No One Left Behind from the Scottish Government via North Lanarkshire Council. They work with individual clients to support them to move towards the labour market. Clients can be referred from other agencies, or self-refer, and will be provided with support based on their personal circumstances, e.g., for those seeking to re-enter the labour market with relevant experience, support may focus on CV development and interview skills, while for those who have not worked for a longer time, this may involve training to build confidence and/or specific skills. Many of the clients that Routes to Work work with are deemed 'furthest from the labour market' which means that they are facing multiple challenges that prevent them from accessing work, e.g., health conditions, homelessness, addiction. For these clients, it can take a long time to move towards a position where they can apply for jobs.

In 2021, Routes to Work commenced a Management KTP (mKTP) with the University of the West of Scotland aimed at developing an evaluation framework for their employability services. An mKTP is a strategic management-based initiative, funded by Innovate UK that supports an organisation to work with an academic team at a University, employing a KTP Associate to undertake the project. The academic team engaged in this project cover a range of academic fields, including business management, economics, marketing, health and sport. They have supported the KTP Associate to create the Social Value Employability Framework that has been piloted at Routes to Work. At this stage, a forecast Social Value Evaluation has been carried out using the framework, with a full evaluation due to take place later this year/early next year.

3. Background

We have chosen to set this paper against a backdrop of two key elements of Scottish Government policy – Employability, and Fair Work. Employability focuses primarily on moving people into work (The Scottish Government, 2016), while Fair Work focuses on the quality of working lives through “success, wellbeing and prosperity” (The Fair Work Convention, 2016: 5). Relating this to employability, it becomes a focus on moving people into *fair* work rather than just *any* work. This is important in the context of this paper because employability is often measured by ‘hard job outcomes’, with the quality, suitability and longevity of the role being potentially ignored, but also, crucially, the gains made along the way being overlooked (e.g., Sage, 2015, Campbell, 2000).

The Scottish Government (the Scottish Executive until 2007) approach to this was the publication of an Employability Pipeline in 2006 (The Scottish Executive, 2006), refreshed in 2012 (The Scottish Government, 2012), and still in use as of 2023 (Employability in Scotland, no date). This pipeline took the format of a five-stage model, from stage one ‘referral’ through to stage five ‘in-work’, and outlined activities suitable for clients at each stage, dependent on their circumstances. However, this model depicts the client journey as linear, raising concerns that this led to clients working sequentially through the stages, and that those most disadvantaged may be excluded (Sutherland et al, 2015).

Routes to Work have taken the employability pipeline, and, building on their experience of the client journey, have created the framework Routes to Change, which places value on the client journey regardless of the start or endpoint, captures and celebrates progress throughout, and is flexible in both approach and timeline. Routes to Work wanted to create an evaluation method that helped link their interventions to the bigger picture of social and economic impact, as well as help them identify the impacts of specific interventions to shape service delivery in an evidence-based way. Developed with staff, clients and other stakeholders, the Social Value Evaluation Framework represents Routes to Work’s ambition to be sustainable and responsible in how it supports clients and staff, contributes to societal change, and helps fulfil the goals of Fair Work.

4. Social Value as a way of evidencing impact

Since the 1990s, Third Sector Organisations and social enterprises have faced increasing pressure to demonstrate their impact and ability to achieve their charitable objectives (Barraket and Yousefpour, 2013; Cooney, 2017). This sits against the backdrop of tightening public budgets, the central source of funding for employability TSOs like RTW (Swinney, 2022). Although traditionally evaluated against economic indicators, public sector commissioners and investors are shifting interest from an ‘outputs’ focus to evaluation of longer-term outcomes and impact (Cooney, 2017). As Cooney (2017: 111) notes, this is associated with a rise in public sector funders’ interest in seeking high-performing TSOs, “to invest in what works and make progress against long-standing social problems.”

To maintain competitive drive and demonstrate the value for money of RTW’s employability and skills services, social value serves as a legitimating device, demonstrating fiscal value to the Government (e.g., the National Health Service and the Department for Work and Pensions), whilst underlining the value to individuals when progressing along the ‘journey’ into

employment (Routes To Work, 2023). Through methods like Wellbeing Valuation, social value evaluation places value (and a financial proxy) on the achievement of ‘soft’ outcomes (e.g., improved self-confidence), therefore reflecting its relative importance to the individuals impacted by Third Sector services (Fujiwara, 2013; Social Value International, 2012). In portraying a wider understanding of value and thus the ‘added’ value of RTW services in comparison to traditional economic indicators (e.g., job entries), RTW can begin to demonstrate the impact of employability services on individuals and society.

In addition to expanding and developing conceptions of the ‘value for money’ of employability services, social value evaluation is inherently linked to organisational decision-making and sustainability. As recommended by Social Value International (2012), organisations should optimise its services to deliver positive impact and minimise negative impact on its stakeholders.

As a result of the creation, pilot, and ongoing embedding of the social value evaluation framework, RTW has enhanced its ability to continually improve its service delivery model, responding to the needs and lived experiences of its stakeholders. Not only does this process of social value evaluation enable the continued achievement and optimisation of wider impacts, but its focus on wellbeing and addressing ‘barriers’ also shifts focus to the sustainability of employment outcomes for individual clients. This provides a pathway for evidencing the value in supporting complex barriers to employment (e.g., housing and homelessness issues and long-term health conditions) rather than moving individuals closest to the labour market quickly into employment (Lindsay et al, 2018).

5. Foregrounding Stakeholder Voice

As well as evidencing and expanding the value of employability services, social value evaluation has enabled RTW to strengthen their inclusion of stakeholders within organisational decision-making, reporting and service design, therefore supporting their ability to care for stakeholders. Primarily, this social value evaluation framework utilises Social Return on Investment (SROI) methodologies, which is predicated on rich, qualitative accounts of the experiences and outcomes associated with different stakeholder groups (Social Value International, 2012; Hall et al, 2015).

As posited by Hall et al. (2015: 908), SROI represents “an attempt to overcome existing organisational deficiencies by incorporating stakeholders’ voices into the firm’s accounting and reporting system, and, crucially, by demonstrating the value created by the firm back to its stakeholders”. As a TSO, RTWs focus is on clients and the value that they derive from the service provision. Any ‘profit’ made is invested directly back into services for the communities of North Lanarkshire.

By actively involving stakeholders through qualitative data collection, social value evaluation has allowed RTW to capture the “full range of effects generated” and their value to stakeholders, whilst incorporating stakeholders’ experiences into organisational decision-making (Hall et al, 2015: 910). This process engages stakeholders through qualitative interviews and focus groups to explore what changes are experienced and how that change occurred through the outlining of a ‘chain of events’ (Social Value International, 2012). For RTW, this highlighted the value of interventions like mock interviews, one-to-one support and self-esteem workshops in building the confidence of service users (Routes To Work, 2023). With organisational reporting and

accounting influenced by the epistemic beliefs of management, the inclusion of stakeholders' voices through social value evaluation shifts this process to 'bottom-up,' 'stakeholder-informed' impact measurement and management (Hall et al, 2015; Social Value International, 2012).

6. The Sustainability of Employability and Employability Organisations

In integrating stakeholder voice into organisational reporting and decision-making of a TSO, social value also enables sustainability in terms of outcomes experienced by stakeholders; as an organisation; and through sustained social and economic impact within the communities supported by the TSO. As an employability provider, RTW challenges the traditional evaluation of employability interventions through its social value evaluation framework and Routes To Change tool for client support, expanding the focus to include longevity, quality and suitability of job outcomes (for examples where the status quo of measuring hard job outcomes has been detailed see Sage, 2015; Campbell, 2000).

'Sustainability' in this sense therefore refers to the sustainability of job outcomes, and, importantly, the 'softer,' more 'intangible' outcomes experienced during the transition into employment, such as improved confidence and resilience. As a longitudinal measure, the social value evaluation framework will enable outcome measurement across the period of engagement with services (from initial engagement to six months post-entry into employment) (Routes To Work, 2023). This can therefore highlight the longevity and 'distance travelled' associated with outcomes, as well as determining points of disengagement to improve service design (Social Value International, 2012).

From the perspective of sustainability of an organisation, the journey to embedding social value within RTW enables sustained competitive advantage; capacity building; and designing services around efficiency and effectiveness in achieving the organisation's charitable and strategic objectives. According to Rodríguez-Olalla and Avilés-Palacios (2017: 2), organisational sustainability is "a multidimensional phenomenon that focuses on maintaining results, generating knowledge, building capacity, establishing experiences with partners, and producing services and products based on the concepts of efficiency and effectiveness".

As part of the process of embedding social value, RTW is addressing all of the aforementioned components to organisational sustainability, building capacity in terms of structure and skills for evaluating services; generating insights into the effectiveness of employability services; integrating the experiences of partners within the social value evaluation framework; and continually improving and adjusting service design based on 'live' data on the barriers, outcomes and interventions experienced by service users (Routes To Work, 2023). This is underpinned by a wider cultural shift (e.g., values, attitudes, and norms) that is underway within the organisation, towards a culture and organisational discourse of 'social value,' thus emphasising 'coproduction' of services through the foregrounding of stakeholder voices (Hall et al, 2015; Lindsay et al, 2018; Lozano, 2018). As a result, RTW is strengthening its ability to sustain competitive advantage and evidence the added value of its approach to employability.

7. Conclusion

This paper suggests that embedding social value within a Third Sector Organisation can support their aspirations to become a responsible and sustainable business. The example here of Routes To Work demonstrates the specific benefits of this to an employability organisation, set against the backdrop of further devolution to the Scottish Parliament, and aspirations of Fair Work. Social value can help TSOs to meet the requirements to provide a more outcome and impact focused evidence of their activities and can support organisational sustainability through improved stakeholder voice. While this paper tracks this work at an early stage, future developments will have further evidence of the impact of social value evaluation.

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