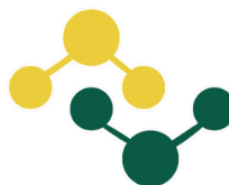


Case studies on skills sets and social impact #1 - digital and social trends in re-use operations

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THE DIGITAL ERA
OF SOCIAL ENTERPRISES

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1. Introduction

The efforts to digitalise social enterprises re-use operations need to be balanced with their social mission to provide employment and training opportunities for people from vulnerable groups. Digitalisation not only involves adopting new digital tools and systems but also upgrading the digital skills of workers. Harmony must be found between these. It is essential that digitalisation comes together with an inclusive and effective training format, that addresses employees' fears, and makes them more confident in their work, allowing them to learn new digital skills required in the labour market.

Developing digital skills can bring multiple benefits to social enterprises. Employees acquire or improve skills and experience greater personal development. The organisation increases its ability to communicate its impact to stakeholders, leading to increased capacities to disseminate its impact, secure funding and establish partnerships. Moreover, social enterprises can increase their efficiency and monitor tools, with the aim of streamlining their operations.

2. Case studies and methodology

The case studies on skill sets and social impact for re-use operations showcase real-world examples of social enterprises that are digitalising. The case studies highlight the relationship between specific skills or competencies, and the resulting social consequences of digitalising re-use operations.

The core of this report features 3 case studies of social enterprises active in the circular economy, from Croatia, Finland, and The Netherlands. These case studies aim to demonstrate how the acquisition and application of certain skills can have an impact on individuals and communities. In this context, it examines how the application of particular skills influences or contributes to the well-being, personal development, and social change of vulnerable groups.

Social Cooperative Humana Nova encourages the employment of people with disabilities or socially excluded people through the production and sale of quality, innovative textile products made from ecological and recycled fabrics. In this way, it actively contributes to poverty reduction and the circular economy. Humana Nova has recently won the EASPD Innovation Award 2022 from the European Association of Service Providers for Persons with Disability and second place in the Council of Europe Development Bank Award for Social Cohesion 2023.

Background

Humana Nova was created as part of a European project, after many local textile workers from the MTC factory lost their jobs in Međimurje county, Croatia. Founded 12 years ago, Humana Nova positioned itself as a collector and recycler of textiles, and a producer of textile upcycled goods and new products from eco-certificated materials.

The Social Cooperative Humana Nova has a mission centred on providing job opportunities for socially excluded individuals, especially those with disabilities. Historically, the cooperative has prioritised manual processes over digitalisation in its re-use operations. However, they have recently incorporated some digital systems:



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- **E-računi System (ERP):** This Enterprise Resource Planning system manages various business processes like finance, human resources, supply chain, manufacturing, and sales. It's used to monitor quantities of collected and re-used textiles, raw material stock, production supplies, and final products for sale. It facilitates digital invoicing and documentation related to textile waste management and sales, offering the advantage of cloud-based accessibility.
- **E-Onto System:** Compliant with waste management laws, Humana Nova utilises E-Onto, an electronic record book for waste generation. It's a database consolidating data on waste flows and a corresponding network application allowing access, input, review, analysis, and exchange of textile waste data.

Main skills acquired

- **Basic Digital Skills:** Understanding how to navigate digital environments, use software applications, and interpret data effectively.
- **Specialised digital skills:** Mastery of tools relevant to the textile management and monitoring sector.
- **Utilising Digital Platforms:** Using tools like email, Zoom, or other collaborative software for effective team communication, meetings, and coordination.
- **Digital Security Practices:** Developing an awareness of data protection measures to safeguard sensitive data.
- **Understanding Environmental Impact:** Grasping the environmental implications of digital technologies.



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Approach to training

The training conducted at Humana Nova is done in an informal and on-the-job setting, where employees learn by actively engaging in digitalisation processes, aligned with their expertise and work tasks. Through this process, they acquire hands-on experience, employing a 'learning by doing' approach that



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is very helpful to develop digital skills. In a supportive and inclusive work environment, employees selflessly share their knowledge and experience with the aim to achieve common goals.

Social impact

As a cooperative that is deeply committed to a strong social mission, Humana Nova consciously maintains certain manual processes, particularly those involving the employment of individuals with disabilities and other vulnerable groups. While digitalising enhances the efficiency of waste management processes and allows for better decision making, Humana Nova balances the digitalisation efforts with a strong commitment to sustaining manual processes that employ people with disabilities in sorting, preparing for re-use, recycling, and packaging processes.

Key takeaways

Digitalisation at Humana Nova focuses on efficiency and accurate monitoring of collected textiles. Systems like E-računi and E-Onto streamline operations, reducing paperwork and ensuring precise tracking of recycled textiles and inventory. This data is pivotal for transparent reporting, impact assessment, and informed decision-making.

Digital tools enable strategic resource allocation, continuous improvement, and assessment of the cooperative's social and environmental impact. These digital efforts are balanced with their social mission while still prioritising manual processes that can employ people with disabilities in sorting, preparing for re-use, recycling, and packaging processes.

“The most significant lesson gained from this experience is knowing to find the balance between digitalisation and manual processes. We have recognized the importance of manual processes for the purpose of employing people with disabilities and other vulnerable groups. This balance between digital and manual operations ensures inclusivity and provides meaningful employment opportunities.”

Kierrätyskeskus is a non-profit company founded in 1990 with the aim of reducing resource consumption, increasing environmental awareness, and improving employment opportunities for disadvantaged individuals. The centre has thirteen second-hand stores in the Helsinki metropolitan area and a nationwide online store. It also offers environmental training and consulting for residents of the Helsinki metropolitan area, professional educators, companies and communities.

Background

Kierrätyskeskus employs a variety of individuals from disadvantaged backgrounds, including individuals long-term unemployed, people with disabilities, or people performing community service, among others. All workers need to use various digital devices at work, independently of their position.

Kierrätyskeskus aims to help unemployed individuals gain digital skills to improve their employability. While digital skills are essential to access work opportunities, many individuals distanced from the labour market currently lack these skills. To overcome this barrier, Kierrätyskeskus provides training to bridge this gap and make it easier for them to enter the workforce.

The adoption of digital platforms like Microsoft Teams and Moodle for internal communication and training content has been a key step in Kierrätyskeskus' digitalisation. However, this shift brought challenges, notably due to some employees' limited digital skills. Digital training has been essential to mend this issue and improve communication and efficiency.

Additionally, Kierrätyskeskus has embraced digitalization by establishing a nationwide online store. This transition not only broadens the social enterprise's customer base but also provides an interactive platform for customers to engage with the organisation. The online

store has been a major catalyst of digitalization at Kierrätyskeskus.



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Main skills acquired

- **Basic Digital Skills:** Understanding computer use or achieving proficiency in common software (Excel, Word, Microsoft Teams) is essential. These skills are fundamental for today's job market, so Kierrätyskeskus provides training when needed to bridge the digital divide and facilitate inclusion in the labour market.
- **Job-searching skills:** These may include creating a CV, preparing for video interviews, or setting up a LinkedIn profile. Kierrätyskeskus has a strong focus on job-searching skills

because they are vital for transitioning to new job opportunities after the employees' experience at the organisation. Training in job-searching skills is particularly relevant in the months leading up to the conclusion of their stay.

- **Specialised digital skills:** These may include understanding complex digital devices, using scanners, or understanding information security. These skills are essential for roles involving highly digitised operations like the online store, so it is key to ensure staff proficiency in utilising specialised digital tools.

Approach to training

Kierrätyskeskus' approach to digital training is designed to accommodate diverse skill levels and job roles within the organisation. While all employees need a certain level of digital skills, every person and position within the organisation comes with unique needs, which requires adaptation and flexibility. Therefore, the training method combines informal and formal guidance, tailored to individuals based on their current skill levels.

A key element of the social enterprise's approach to training is to actively address negative self-perceptions related to digital skills. People may have negative perceptions of digital skills and the assumption that their own skills are not enough. Deconstructing these perceptions and strengthening self-confidence is the first step to initiate learning.

Training at Kierrätyskeskus is also characterised by recurrent group meetings and opportunities for peer-to-peer learning, which facilitates a collaborative environment where mutual assistance and experimentation

are encouraged. In fact, employees who develop a proficient level of skills are encouraged to mentor other employees who require support.

Finally, Kierrätyskeskus highlights the importance of continuous learning to improve employability. Acquiring digital skills is an ever-evolving process that requires adaptability.



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Social impact

The impact of the guidance program on digital skills has been positive for participants both in their professional and personal lives.

The capacity of workers to acquire digital skills has significant social implications, as it opens doors to further skill development, new work opportunities, and increased incomes. Digital job-searching skills are particularly important to enter the workforce.

Additionally, Kierrätyskeskus' focus on improving basic skills and self-confidence through positive learning experiences significantly improves the self-confidence and overall mental health of disadvantaged employees.

Key takeaways

Several key takeaways have emerged from the implementation of the digital training and guidance program:

- **Overcoming Digital Apprehension:** The initiative has dispelled fears about using new digital devices and improved the organisation's communication and skills base. It is essential to address employees' fears to make them more confident and allow them to learn new skills.
- **Personalised Training:** By observing and engaging employees in discussions about their learning preferences and current competence levels, Kierrätyskeskus has personalised training to the right format and the right level. This approach is more effective and inclusive.
- **Limits of Automation:** While automation continues to gain prevalence in workplaces, Kierrätyskeskus highlights that there is a crucial need for individuals to be capable of operating machines and performing tasks that require human skills. Therefore, both digital and manual skills are needed.
- **Productivity, Communication, and Social Impact:** Kierrätyskeskus observed that the lack of digital skills was in some cases an obstacle to in-house communication and productivity (e.g. the uptake of digital communication platforms like Teams and Moodle). This highlights that the provision of digital training can yield multiple benefits, including productivity improvements and increased employability of workers at the end of their stay at Kierrätyskeskus,

“By offering positive learning experiences in a digital environment, the aim is to strengthen the participants' positive perceptions of themselves as learners and thus strengthen the position of the target group in society and working life.”

“The approach is to provide tailored guidance to bridge the digital divide and ensure that every employee can navigate these digital tools effectively.”



BKN is a network association that represents 67 social enterprises with approximately 250 re-use stores throughout The Netherlands. The BKN stands for a circular economy, an inclusive society and a professional re-use sector. In 2022, BKN members collectively collected 144,000 tonnes of items, with nearly half of these being re-used. The network engaged in 2022 a total of 17,443 people, including 1,875 regular employees, 5,056 disadvantaged employees distanced from the labour market, 999 people in daytime activities, 4,968 volunteers and 4,545 other employees.

Background

BKN has been monitoring the impact of its members in the areas of circular economy, social inclusion, and finance for more than 10 years. This knowledge enables the network to show the importance of the social re-use enterprises in the Netherlands to stakeholders at the local and national level. In fact, BKN is often the only organisation in The Netherlands with public data and insights about the sector as a whole.

Data collection and monitoring is crucial – which impelled BKN to develop a new digital monitoring system to further improve monitoring capabilities. The digital system is expected to lower the workload for both BKN and its members as a lot of data will automatically be loaded into the digital tool from the data collection tools that members use on a daily basis. Therefore, the system will streamline the process and make trends easy to understand, providing the opportunity to gain more insights.

The digital monitoring system will require all members to (at least) annually update their data. The system not only allows benchmarking against similar stores or the

entire sector but also tracks progress across various indicators over time. In fact, this tool generates robust and sector-specific data that can be shared with stakeholders like municipalities and customers as needed. Additionally, it enables BKN to produce a high-level Monitor Report to explain to stakeholders the impact of their members.



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Furthermore, BKN aims to automatically link its CO2 calculation tool (which is currently being updated) to the system, along with the product weight list (which is also being updated). The integration of various tools will further streamline data collection and management.

Main skills acquired

- **Data collection & management:** Employees gained experience in utilising digital data collection and management tools. In particular, they learned to adapt and align different data collection methods for efficiency.
- **Data analysis & insights:** Employees acquired skills in using data for improving re-use processes within their organisations. They learned to understand and analyse their results, compare them with other organisations, and identify areas for improvement.
- **Basic digital skills:** Generally, the use of digital data collection and monitoring tools has helped improve basic digital skills needed to operate the new system. Additionally, the upcoming BKN Academy will offer comprehensive digital training, including courses, workshops, and e-learning.



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Approach to training

BKN focused on interactive, small-group sessions, allowing members to share their experiences with the new BKN Monitor. This approach allows for feedback, which is essential to understand members' needs and usage patterns and therefore for improving the system.

These sessions will be complemented by online resources such as manuals and e-learning modules. Moreover, BKN is

developing the BKN Academy which will introduce new training opportunities, including training on using the BKN Monitoring tool.

Overall, the training approach combined knowledge transfer with interaction. This approach has been used by BKN in prior initiatives like the development of the webshop, with success.

Social impact

The digitalisation efforts by BKN have led to a reduced workload for members. The digital system implemented by BKN has streamlined processes, reduced social enterprises' workload and allowed them to focus on their ultimate goal: helping disadvantaged individuals acquire new skills and get closer to the mainstream labour market.

BKN has observed that employing stock management tools such as KPRS and Orcado's system enables disadvantaged individuals to assume greater responsibilities, improving their self-confidence and instilling a sense of importance in their work.

Moreover, the extensive data collected through digital tools has also helped draw attention to the social and environmental impact of the sector. It has positioned BKN as the main contact for insights into the re-use sector, and more importantly, it has raised awareness about the importance of the sector and influenced policy discussions. It is expected that this will ultimately help scale up the sector.

Finally, digitalisation efforts have been instrumental in facilitating cooperation with municipalities, social work institutes, foundations, and more. The data-driven approach has strengthened BKN's position in the sector and helps negotiating funding or support for their members.

Key takeaways

BKN highlights the importance of prior research and thoughtful consideration before implementing digital initiatives. Choosing digital systems and tools that align with the organisation's specific needs is crucial for long-term impact.

Through a better understanding of their data and performance, members have improved not on organisational processes, but also their ability to communicate impact to stakeholders. This has enhanced their capacity to secure tenders, obtain permits for new locations, and establish partnerships with other organisation.

However, most digital transitions will encounter obstacles, including both technical and communication challenges. Flexibility is key for organisations to make adjustments if needed.

The initiative has also shed light on the importance of investing in collaboration and common digital systems within the re-use sector. In fact, BKN highlights that standards for data collection should be created on the international level, rather than national.

“It is very important to think and research beforehand about the system you will use. We chose a private system specifically designed for us to have maximum flexibility and control, also in the long term.”

“We have the data to show our social and environmental impact. This data supports internal monitoring and improvement of processes, but also helps to draw attention to the sector and cooperate with other organisations.”