

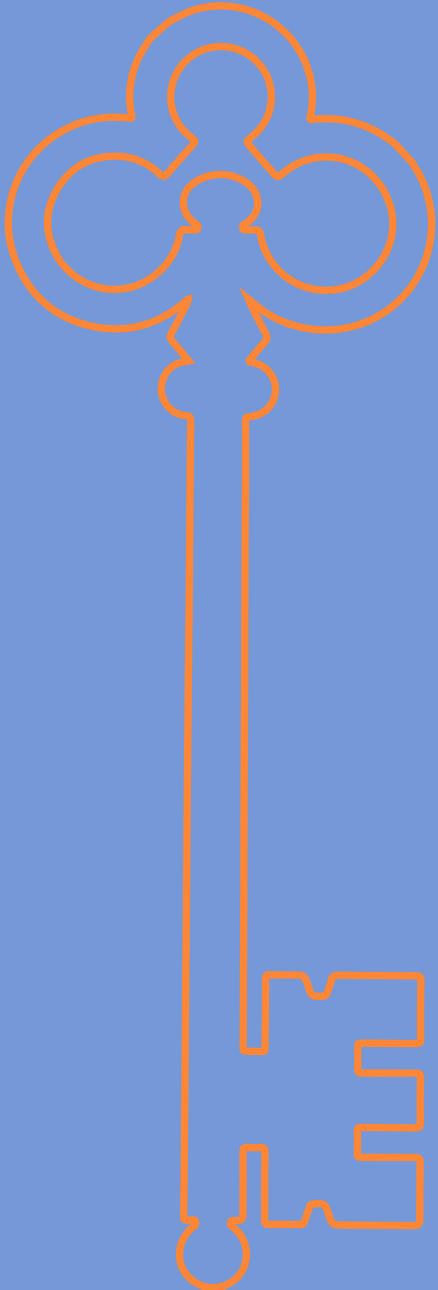
## 2.2 Organizational Structure of Social Enterprises and Introduction to Business Administration Principles



**ReinFORCE SOCIAL Entrepreneurial Spirit through setting up Innovative Support Structures in the cross-border Territory “Social Forces”**

**4.9.2: Design and Development of the Training Material**





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## **1st Section**

# **Human Resources Management in Social Enterprises**

## *Human resources in Greek social enterprises (1)*

- ❖ Social enterprises are obliged to manage their human resources in a specific way.
- ❖ Social Cooperative Enterprises may have:
  - **working members**
  - **non-working members**
  - **working non-members** who do not exceed the 40% of all their employees.
- ❖ There is also the possibility of using **volunteers and non-workers** whose employment cannot exceed 16 hours per week



## *Human resources in Greek social enterprises (2)*

Depending on the category, social enterprises have a specific number of members from specific population categories:

Category	Percentage of special category members
<b>Social Cooperative Enterprises of Integration of Vulnerable Groups</b>	<b>30%</b> (at least) of the members and employees of these enterprises belong mandatory in vulnerable population groups
<b>Social Cooperative Enterprises of Special Groups</b>	<b>50%</b> (at least) of the members and employees of these enterprises belong mandatory in special population groups

## Human resources in Greek social enterprises (3)

The **non-working members** of a Social and Solidarity Economy body are not entitled to the distribution of profits.

- *The members of the Civil Cooperatives of Law 1667/1986 (A '196), which have acquired the status of a Social and Solidary body are excluded for the profits resulting from the transactions between the members and the cooperative, which are called surplus.*

The Social and Solidary Economy body is obliged, from the second year of its operation, to **present an annual salary equal to at least 25% of its previous year's turnover.**

- *This obligation concerns the bodies with **turnover and grant revenues of the previous year of more than 300% of the annual payroll cost of a full-time employee based on the lowest statutory salary.***

# *Human resources in the Bulgarian social enterprises (1)*

In the **Class A Social Enterprise**, at the start date of the legal employment relationships, **at least 30%** of the persons employed in the business (and at least three people) should be:

- ☑ People with permanent disabilities
- ☑ Long-term unemployed eligible to receive monthly social aid
- ☑ Persons under 29 years of age without previous professional experience
- ☑ Persons accommodated outside their families
- ☑ Unemployed persons over 55 years of age
- ☑ Persons raising children with permanent disabilities and receiving aid
- ☑ Persons who have served a prison sentence for a period of no less than 5 years





## *Human resources in the Bulgarian social enterprises (2)*

- ☑ Persons with alcohol or drug addiction who have successfully completed treatment or a psycho-social rehabilitation programme in the last two years prior to appointment to a job
- ☑ Homeless persons
- ☑ Aliens who have been granted asylum in the Republic of Bulgaria
- ☑ Persons who have been granted special protection status under the procedure provided by the Fight against Human Trafficking Act
- ☑ Persons victims of domestic violence





## *Human resources in the Bulgarian social enterprises (3)*

In **Class A+ social enterprise**, **at least 30 employees** should belong to one of the above specific categories of Class A social enterprise, and should have worked for the past six months in the social enterprise.



## *Human resources in the Bulgarian social enterprises (4)*

Furthermore...

- ⇒ **Foundations acting in private benefit** should at least have one managing body.
- ⇒ **Foundations acting in public benefit** are required to have a **two-level governance structure** consisting of one supreme collective body (Board of Trustees) and one managing body (collective or not).
- ⇒ **Only associations have members.**
- ⇒ Associations are required to have **Management Board** and **Audit Board**.
- ⇒ Specialized enterprises for people with disabilities are required to have at least one **manager**. They are also able to appoint a supervisor to oversee the management of the company.

## **2nd Section**

# **Business Ethics in the Social Economy**

# *The Importance of Business Ethics*

**Business ethics: a general culture that should be disseminated through practices in the enterprise's internal environment, namely to the working force, and subsequently manifests itself in the external environment.**

In the era of sustainable development, climate change and environmental degradation, the need to apply business ethics becomes major.



## *Advantages stemming from the application of the Business Ethics principles to the workplace and the natural environment*

- ✓ Development of a climate of confidence and meritocracy among employees
- ✓ Strengthening relationships between the company and its customers and suppliers
- ✓ Enhancement of corporate culture
- ✓ Protection and maintenance of corporate reputation
- ✓ Volunteering promotion
- ✓ Contribution to sustainable development
- ✓ Assessment of Social Responsibility
- ✓ Acquisition of credibility as regards shareholders

## *Axes of Business Ethics (1)*

1. Corporate Governance
2. Corporate Social Responsibility (CSR)

The two axes of business ethics together **Sustainable Development**, are the three pillars of modern entrepreneurship that aims at sustainability for any business with the goal to grow on solid social ground.



## ***Axes of Business Ethics (2)***

### **Corporate Governance**

The system by which enterprises are controlled and rights and obligations among the Management Board, senior executives, shareholders and other stakeholders such as employees, suppliers and customers, are specified.

### **Corporate Social Responsibility**

the ethical behavior of an enterprise in relation to society. Because of the complexity of this concept, there is no commonly accepted definition, although it widely used in public debate internationally.



# Social Enterprises & Ethical Entrepreneurship



Social enterprises are bodies integrating the principles of ethical entrepreneurship and their main statutory purpose is the pursuit of **collective benefits** and the serving of **general social interests**.

Social enterprises **serve to a significant extent the concept of business ethics:**

- ✓ Local and sustainable development
- ✓ Social inclusion: Creating jobs and promoting entrepreneurship among vulnerable population groups
- ✓ Prevention of social inequalities
- ✓ Strengthening of the social fabric / cohesion / solidarity and social capital empowerment
- ✓ Development of democratic and participatory structures
- ✓ Priority to people and labor and not to capital / profit

