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Title

Work Integration Social Enterprises in Japan and Institutional Pluralism: Various Values, Organizational Forms, and Evaluation Difficulties

Abstract

The purpose of this paper is to examine the type of work integration social enterprises (WISE) employing people with disabilities in Japan and their relations among several values surrounding organizations, organizational forms, and consequent evaluation difficulties. I focus on nonprofit (NP) and for profit (FP) organizations certificated as “Support for Continuous Employment Type A” (SCETA). SCETA is one type of social policy promoting employment for people with disabilities. The research question is “how have WISEs certified as SCETA faced dilemmas of various values related to their organizational forms (NP or FP)?”

The examination of WISEs certified as SCETA could suggest significant implications to research of blurring boundaries for NP/FP (Kramer 2000) and work integration issues (Garrow and Hasenfeld 2012) in Japan and other Asian countries owing to two reasons. First, organizations can be certified as SCETA regardless of NP/FP forms. Second, WISEs certified as SCETA are basically obliged to employ people with disabilities at above minimum wages based on mixed revenue from the market and subsidies from the government. It means that SCETA is a novel approach to social welfare system in Japan, which is recognized as a “statist country” (Salamon & Anheier 1998).

In order to address the research question, I mainly apply an institutional pluralism perspective (Kraatz & Block 2017). This perspective is useful to analyze the complex situation. WISEs are facing various values (Knutsen 2013) such as the regular employment oriented value emphasizing on moving people with disabilities to the regular labor market, social welfare oriented value emphasizing on protecting the needs of people with disabilities, and the social movement oriented value emphasizing on attaining an egalitarian society. Adding to this dilemma, issues of
organizational identity (Knutsen 2016), social category (Galaskiewicz & Barringer 2012) and institutional logic (Thornton et al. 2012) are related. The legal status and their resource of WISEs are various. Therefore, social expectations and legal regulation on WISEs multi-modally influence their organizational behaviors. Such complex situations cause “evaluation difficulties” and some WISEs engage in mission drifts, such as they receive a subsidy for minimum wages, but they allocate short working hours to people with disabilities.

To analyze this situation, I adopt a mixed method. I used two types of data: interview data from managers and quantitative survey data (N=942) on the WISEs conducted by the council of SCETA. I group the cluster of WISEs based on survey data and analyze how each type of organization faces dilemma based on the interview data.

This analysis indicates the varieties of WISEs certified as SCETA, and provide some theoretical and policy implications. First, to avoid “evaluation difficulties,” we need to understand the various values surrounding organizations. Second, for countries, such as Japan, which have limited experiences with NP/FP organizations coexisting in the common policy field, the government should design delicate regulations for each organization form, such as placing an upper limit on the profit distribution to shareholders by FP organizations and making it obligatory to publish detailed social and financial reports by NP organizations.

**Keyword**

WISE, Institutional Pluralism, Organizational forms, Mission Drift, Social Welfare System