

The European Observatory for Inclusive Employment and the SDGs

Case study for Samhall / Sweden

Gradually upskilling workers with disabilities to join the Swedish open labour market: the Samhall method™

Introduction and background information

This case study provides context around how Samhall achieves the transition of thousands of employees to the open labour market every year and what contextual factors are supporting this process. It also looks at Samhall's links to the Swedish Public Employment Service and the role the Swedish collective bargaining model, State aid, as well as the mind-set of the Swedish companies play.

Samhall is a Swedish state-owned company with the assignment to create employment opportunities that support the career development of employees with disabilities. In doing so, it aims to “contribute to a Sweden where all individuals are seen as an asset on the labour market”. It was founded in 1980 as a result of the merger of 375 sheltered workshop companies, which were owned by Swedish counties and municipalities. Since then, the company has undergone a comprehensive business transformation: it originally consisted of mainly industrial workshops, and became a service provider company in the sectors of workplace and property, retail, storage and logistics, manufacturing, care services, and cleaning and laundry services. By focusing on jobs that offer the best personal development opportunities for Samhall's employees, the company has managed to replace jobs in sheltered workshops with new jobs in the open labour market. An overview of the occupational roles offered by Samhall to workers with disabilities can be found in **Illustration 2**. With more than 25,000 co-workers all around Sweden, Samhall is also one of the country's largest employers.

Further, around 8,000 new employees with disabilities enter Samhall's employment model every year. The company has a yearly turnover of around €850 million, which the company has increased over time by restructuring its business model and expanding to different sectors. In doing so, the company has become more independent of public funding. Even though Samhall is state-owned, it still performs as a competitive actor in the mainstream economy. Just like regular open labour market companies, Samhall has a professional supervisory board that is responsible for taking decisions on day-to-day business operations. Samhall does receive financial support for employing workers with disabilities which is called “compensation for additional costs”, but this is merely supposed to cover the costs linked to labour market policy assignments, which other companies do not have. The amount of this financial support takes the form of yearly public funds granted to Samhall and is a fixed sum linked to the number of working hours for employees with disabilities. Further, Samhall's employees receive the same pensions, insurances and competitive, market-based salaries as they would receive in the sector on the open labour market, based on collective bargaining agreements with worker unions. The role of collective bargaining is a key feature of the Swedish labour market system and therefore also crucial to Samhall's business decisions. Also, Samhall's employees are represented at all levels of the company's operations. In the company board, for example, six out of fifteen members are appointed by the worker's unions. Four of these members represent Samhall's employees with disabilities.

As the main actor placing workers with disabilities on the open labour market in Sweden, Samhall collaborates with public authorities and private companies in order to be able to offer its employees jobs on the open labour market. Samhall has made long term customer arrangements with around 30 large companies in Sweden such as IKEA, Volvo, DHL or Burger King as well as public employers such as the Swedish police. Some of these arrangements date back to over 40 years ago. In total, 96% of Samhall's employees are working in on-site job service settings at the facilities of long-term customers like these. Ideally, they take over the workers with disabilities on their payroll, after the latter have been through the well-planned education and work transition model of Samhall, which is described more in detail below.

Every year, the Swedish government sets a target for Samhall to transition a certain number of workers from its own operations to open labour market settings, with this annual target increasing regularly. In 2019, it was set to 1,500 employees to be transitioned and about 7% of Samhall's employees with disabilities have left Samhall's supported employment settings to join one of Samhall's customers on the open labour market. It is also the

Public Employment Service that decides who will be employed at Samhall: job seekers with disabilities first have to go through the public authorities' attempts to place the person on the open labour market, as well as a full evaluation process and only then are referred to Samhall. When a person arrives at Samhall, the company does not know what her or his disability is or what causes the reduced working capacity. This is done intentionally, as Samhall focuses only on the employment possibilities based on the capabilities of a person, and not on her or his disability. The only criteria for Samhall to follow is that at least 40% of its employees must be recruited from certain prioritised groups, whose functional impairment creates particularly difficult problems when attempting to enter the labour market. In 2019, these employees made up almost 70% of Samhall's employees.

The formula behind Samhall's transition model for workers with disabilities

Name	The Samhall method™
Objectives	Transitioning workers with disabilities from Samhall's employment settings to the open labour market
Activities	Job matching, targeted development dialogues, education and training, employing workers on customers sites by providing different services in various sector to clients
Target groups	Persons with disabilities and reduced working capacity that could not find a job on the open labour market and have been appointed by the Swedish Public Employment Service to join Samhall
Timeline	Since Samhall's foundation in 1980 until today
Location	Across Sweden
Stakeholders	Samhall, Swedish Public Employment Services, clients/customers of Samhall

To achieve the target of transitioning 1,500 of its employees annually to open labour market settings, Samhall has established what can be considered as both a tool and management philosophy: the Samhall method™. Through its precise schedule and unique model of working capacity assessment for its employees, it ensures that abilities and conditions match the requirements of the jobs where employees can get the greatest benefit, while also satisfying customer demand.

The approach is based on the idea that the working capacity of a person is a result of three interacting factors: the individual, the work task and the work environment. The first step of the process is to assess the functional ability of the individual via 16 various functional parameters categorized as sensory functions, intellectual ability, psychological ability, social ability and physical ability (see **Illustration 1**). The matching process ensures that employees' skills and competences are matched against relevant job requirements, both existing and new tasks. For each of the parameters, Samhall grades both the requirements and the capacities as high, good or limited.

Reading	Writing	Calculating	Time and punctuality
Hygiene	Fine motor ability	Strength	Mobility
Physical endurance	Concentration and focus	Problem solving	Cooperation and teamwork
Communication	Flexibility	Independent work	Service performance

Illustration 1: The 16 functional parameters by which new employees' abilities are assessed.

The Samhall Human Resources department thus evaluates through this scheme what the person is able to do and matches these capabilities with one of its 24 offered occupations (see **Illustration 2**), which are based on customer demands. These occupations all are located within open labour market companies' settings and are services that customers are willing to pay for, which also constitutes one of the success factors of the model.

Once matched to a job, the so-called “target and development dialogues” are launched, which is a crucial step in the transition phase. With the scheduling of planned and continuous exchanges, employee and manager define and gradually work towards specific targets. These can be anything from learning a new work task to being able to leave Samhall for a job on the open labour market within one year. The goal hereby is that every employee sets her- or himself certain objectives to develop personal capacities which will be the enabler to find work on the open labour market in settings she or he was trained for.



Illustration 2: The currently 24 offered occupations at Samhall. All roles have descriptions, work requirements and dedicated education programmes.

The next step is the education and training, which is conducted via training programmes in the so-called “Samhall School”. It provides a sequence of training blocks that support the employee’s entire journey. The programmes start with an introductory course that is provided to all new employees and are followed by preparatory trainings. Then, specific targeted training sessions that depend on the occupational role that is decided on after the assessment and matching process, build on the expertise and abilities that the employees already possess and prepare them for their immediate deployment at the customer site. Further, the workers receive continued trainings, on an ongoing basis in subsequent and continued training phases for the long-term development of their skills in preparation for their new jobs on the open labour market. In 2019, the Samhall school held 4,923 courses for employees connected to the company’s 24 occupational roles, including courses for continuous skill development. Almost all of the courses are led by some of Samhall’s own experienced employees with disabilities. Finally, Samhall also offers training for its clients and other companies on how to set aside hindrances and open their workplaces to persons with disabilities.

“Being employed directly in our customer’s companies, as a part of the workforce, is incredibly important for the employees. They feel like a part of the company, fully capable to contribute. They don’t work at Samhall anymore, they work for IKEA, for Volvo, for the Swedish Police Forces. They are proud of that.”

Monica Höglind, Human Resources Director, Samhall

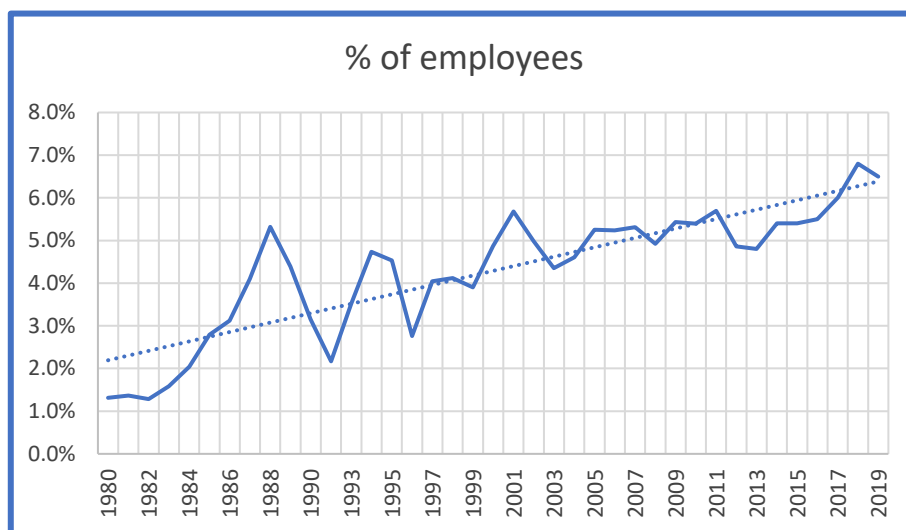
Once the employee is settled in the job and achieves gradually all of the set targets, the employee can choose to move to the open labour market company. If this takes place - at the end of the transition process - the Samhall Human Resources department, the management and the employee take a look back at the 16 capacities from the first step and re-analyse which skills the employee was able to upgrade. When the transition is then completed, the employee is immediately in a fully regular employment setting under the supervision of the open labour market company, Samhall’s customer.

One key reason for the high transition rate of Samhall is a safety measure for both employee and employer, the so-called “right to return”. This measure foresees a one-year trial period for the employees at the new job agreement. If either the employee is not satisfied with the working environment or the employer with the work provided, the working arrangement can be annulled from both sides. However, if the employment lasts longer

than 365 days, the employee is officially signed under an open-ended employment contract and has successfully completed the Samhall transition model. This right to return is seen as a crucial aspect by Samhall as it constitutes an important safety net for both parties.

Main success factors and challenges of Samhall's transition model

The success of the Samhall method™ is visualised in the chart below. It shows how the annual percentage of Samhall's employees with disabilities, which completed transitions to other employers on the regular labour market, have gradually increased in the past decades. In total, Samhall has already transitioned around 40,000 employees with disabilities to jobs on the open labour market and hereby contributed to a more inclusive Swedish labour market and society.



Graph 1: The graph shows the increase of the annual percentage of transitioned employees from Samhall between 1980 and 2019.

There are several factors that influence the success rate of this model. The targeted development schemes in the Samhall School and the long-term collaboration arrangements with customers are important parts of the puzzle. Also, the assessment and matching method that only focuses on the abilities of the worker with disabilities is a key for their later skills acquisitions and ultimately their ability to transition. Further, the above mentioned right to return is identified as a major driver of success for the Samhall transition model. The entitlement to being able to come back into the Samhall environment in case of problems is an important condition for many employees to try and work outside Samhall, as it gives them a feeling of security. Also, in order to make the transition as smooth and sustainable as possible, the managers at Samhall keep in contact with the former employee until they feel confident enough at the new workplace. Simultaneously, it reduces risks for employers who are often hesitant to give long-term employment contracts to workers with disabilities, but can then be convinced of their work capabilities. This employment method through a trial-and-error basis, before making the commitment to an indefinite working relationship, is crucial for the employers.

“An important key to success for the transition is the right to return. It allows employees to ‘test the water’ outside of Samhall to take away their fears, while at the same time giving the opportunity to employers to try out an employee for a while before committing to a long-term contract.”

Monica Höglind, Human Resources Director, Samhall

While the transition model of Samhall has been very successful and made a difference to many lives of persons with disabilities in Sweden, the company also has to deal with a number of challenges in finding employment opportunities on the open labour market for their workers. The biggest challenge is to find persons that want to move, as they are often scared to make the first step. Especially in times of crisis, such as during the COVID-19 pandemic, it was increasingly difficult to find persons that want to take the risk to move to a different setting. At

the same time, also in Sweden, attitudes and prejudices towards persons with disabilities and their capabilities to perform jobs are still a hindrance, which limits Samhall to expand further, grow its business, and offer even more jobs, trainings and transition to the open labour market to its employees.

It also should be noted that Samhall still sells its services to its customers and therefore facilitates the employment of a worker with disability for the corporations. The open labour market company does hire any of the workers directly, but merely takes them from Samhall without taking on any other commitments, after Samhall has carefully trained and prepared the employee for the job. A stronger involvement of the open labour market company in the process would therefore be desirable.

Further, the status of Samhall as a state-owned company that is in competition with other companies is often questioned. Mainly in the service sector, several competitors have filed complaints to both state authorities and the European Commission regarding Samhall. Competitors tend to believe that it is wrong that a state-owned company fully operates on private markets, even though Samhall does not sell its services below common market prices. Samhall’s main competitors, for instance, filed a complaint to the European commission and to Swedish authorities in 2014, which however was rejected, stating that Samhall’s prices are at the same level as its competitors and that Samhall is not using public funds to lower prices.

Drivers and success factors	Challenges and learning points
<ul style="list-style-type: none"> - Assessment and matching method linked to capabilities of individuals, not disabilities - Targeted development dialogues - Samhall school trainings and education programmes - The ‘right to return’ agreements between Samhall and customers 	<ul style="list-style-type: none"> - Building self-esteem of workers with disabilities and find individuals that want to move to the open labour market, especially in times of crisis - Prejudices towards the working capabilities of persons with disabilities and Samhall taking over duties of corporations in providing and selling its services. - Competitors trying to undermine Samhall and its model

Recommendations to other organisations willing to engage in a similar process

The Samhall method™ is based on and deeply embedded in the mission to create meaningful jobs for people with disabilities, while Samhall performs its services in competition with other companies. Through this, Samhall can drive and expand its own business while aiming to prevent social exclusion and contribute to a more sustainable Sweden. Therefore, a recommendation that can be made for other organisations is to balance the social mission with a business philosophy, which in Samhall’s case helps to continuously strive to find more jobs for persons with disabilities in the open labour market. Another suggestion should be to focus only on the capacities of the employees and never mention the actual medical diagnoses when trying to employ them. Further, establishing a safety net in the labour market, such as the “right to return” described in this case study, can help significantly to find long-term, sustainable employment solutions for workers with disabilities on the open labour market.

Conclusion

Samhall excels in the transition of its employees to open labour market positions by intelligently matching them to the job that fits their abilities, preparing the workers gradually with continuous education and trainings and giving them the safety to return in case of problems. The Samhall Method™ hereby has helped around 40,000 persons with disabilities to find long-term jobs on the open labour market and has contributed to a more inclusive labour market and society in Sweden. An important factor in the establishment of the processes behind the model is the involvement of the Swedish government, who owns Samhall and explicitly entrusted the organisation with the task to transition as many persons with disabilities as possible every year from its own businesses to customer’s operations. Another crucial factor is the cooperation with large Swedish corporations, which have the capacities and need to employ more people and have worked for many years with Samhall. The trust established through these long-term arrangements has reduced risks for both sides

as well as prejudices towards the working capabilities of workers with disabilities. It should not be forgotten however, that next to the social goal, there are also strong business interests involved at both sides and more commitment of more companies to preferably hire workers with disabilities and adjust the working environment would be desirable. Also it has to be noted that the Swedish transition model was built to function and be embedded in the Swedish labour market model for over 40 years and depended on many different factors, such as the cooperation between the Swedish Public Employment Service and Samhall, various learning processes in how to rightly assess and match worker’s capabilities, as well as a strong participation of employees and collective bargaining model. Still, the Samhall Method™ shows how a long-term inclusion of workers with disabilities into a labour market can work and can be seen as a best practice example for other countries and systems.

About the Observatory

Created in 2018, the European Observatory for Inclusive Employment and Sustainable Development Goals aims to build an EU partnership dealing with the challenges faced by social economy organisations and companies employing a significant percentage of persons with disabilities in Europe, while seizing the opportunities stemming from these. Members include:

National member organisations from Spain, France, the Netherlands, Belgium, Sweden and Slovenia	
European network partners	
Observer organisations	

In its first phase of actions over 2018-20, the Observatory aims to analyse how these organisations and companies provide work and employment opportunities to men and women with disabilities and effectively include them into the labour market and society in Europe.

Case study methodology

This case study is part of a series of six - one for each national member organisations of the Observatory. The overall objective is to contribute to better understand how persons with disabilities actually access economic opportunities, while recognising the diverse legal forms and adopted approach towards employment of workers with disabilities taken throughout Europe. The data collection process was qualitative in nature and conducted by Weber Shandwick, acting as the Observatory Secretariat. It consisted of a brief document review and semi-structured interviews with the key contact persons involved. Each case study was drafted by Weber Shandwick and approved by the respective national member organisation before being publicly released.

Contact

<p>Weber Shandwick Thomas Worack Senior Associate Public Affairs Email: tworack@webershandwick.com webershandwick.eu webershandwick.com</p>	<p>Samhall Monica Höglind Director Human Resources Email: Monica.Hoglund@samhall.se samhall.se/</p>
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