



The following case study was produced as part of the research report "Success Themes in Supportive Employment". Copies of the full report are available online: [http://www.socialenterprisecanada.ca/en/learn/nav/SET\\_Report.html](http://www.socialenterprisecanada.ca/en/learn/nav/SET_Report.html)



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## MANITOBA GREEN RETROFIT

### Overview

Manitoba Green Retrofit ("MGR") is a non-profit business that offers energy efficiency retrofits, residential renovations, and bed bug preparation services.

As a social enterprise, MGR's mission is to provide meaningful employment and training to people in the Winnipeg area who might not otherwise be considered employable in traditional labour markets. MGR strives to have a positive impact in the 16 Winnipeg neighbourhoods in which it works by addressing issues such as poverty, adequate housing, and meaningful employment. MGR's slogan is, "There is a place for everyone."

### Background

General Manager Lucas Stewart created MGR in 2009 to help move people in his community out of poverty. Instead of working with the traditional non-profit funding structure that seeks out grants and donations, Stewart instead decided to build a self-sustaining social enterprise on a fee-for-service model.

The organization started with a single anchor contract to conduct repairs to rental properties. Over time, MGR's work has expanded into four separate divisions, all managed in a central location. MGR's primary services currently include:

- Property maintenance
- Residential insulation
- High efficiency gas furnace upgrades
- Bug N Scrub Service (for vulnerable persons who cannot prepare their home for bed bug treatments)

As the four areas lines collectively produce a surplus, that surplus is turned back into expansion of the business. To increase its equity, MGR has co-purchased its building with two partnering social enterprises, BUILD and Pollock's Hardware.

## Target Population for Employment

At the end of 2013, MGR employed 33 employees, and had plans to add another 11 positions in coming months. Depending on the workflow, over the course of 18 months they may have as many as 70 people on payroll.

About 80% of MGR's workforce lives in low-income neighbourhoods; the majority are Aboriginal or newcomers to Canada. About three-quarters fall between 26-35 years of age. These are people who, for a variety of reasons, have not been able to find employment elsewhere.

The predominant employment barrier facing MGR's workforce is intergenerational poverty. Along with that are many expected associated barriers:

- Experience in the corrections system
- Gaps in work history
- Lack of work experience, skills and training – especially work preparedness, punctuality, telephone and interview skills
- Alcoholism
- Homelessness or at-risk of homelessness
- Experience in the child welfare system
- Low literacy
- Language barriers

For recent immigrants, lack of experience working in Canada can also be a barrier. Stewart has found that, for the most part, newcomers “are incredibly motivated, and come from a culture of work; this is not necessarily true for people with intergenerational poverty.”

Overall, Stewart sees his employees' views of the future as their most self-limiting barrier. “The breadth of the vision they have for themselves is narrower than what I have for them,” says Stewart. MGR aims to provide them with a more optimistic view of what lies ahead.

## The Employee Journey

“Everyone is good at something, and that is where you start,” says Stewart. “Our challenge as a social enterprise to structure things to be accessible for them to start.”

Most of MGR's front line employees work in property maintenance – general repair, patching and painting, basic carpentry and plumbing, deck removal, and cleaning to turn over rental properties. Those who can handle detailed cleaning and de-hoarding are part of the “Bug and Scrub” operation, while others work on basic framing and installing insulation as part of the energy retrofit division. About 20% of employees work in quality control, project management, reporting and administration.

Stewart has worked to “create positions to fit people, not have people fit the position.” If someone shows up with low literacy skills but knows how to operate an insulation blower, Stewart says, “our challenge is to create a position where this is a useful part of the process.” As long as there are clients willing to pay for the work that his crew has to offer, Stewart will find work for them.

## **HR Practices**

### Recruitment

MGR recruits for entry-level positions from partners such as BUILD, a non-profit social enterprise funded by the provincial government that runs a six-month on-the-job training program in carpentry and plumbing for people who face multiple barriers to employment – essentially exactly the same population served by MGR. Graduates of BUILD’s training program come to MGR acclimatized to the idea of working. BUILD pre-screens applicants for MGR based on the abilities they’re seeking.

For positions requiring higher-level skills, MGR takes recommendations from other trusted sources such as the Neighborhood Renewal Corporation. Supervisory-level positions are posted on employment websites, and newspaper ads and Facebook are used to advertise for management positions. MGR also uses referrals from current employees.

After screening resumes for an open position, MGR goes through a standard interview process with all qualified applicants, hiring the person who is the “best fit for the work and the company,” says Stewart. Most applicants are interviewed once, though higher-level positions may have a second interview. Stewart, along with the office manager and department lead, conduct the interviews.

### Training

For most positions, new hires receive a brief orientation and then on-the-job training with a team leader. MGR sometimes trains groups of apprentices who are in programs such as BUILD’s Aboriginal apprenticeship program; in these cases, the training component is three to four times longer than with individual new hires.

One of MGR’s employees’ biggest challenges is self-confidence. Stewart and his supervisory staff work to positively encourage employees, giving them tasks that are just beyond their comfort level to challenge them and help them grow. They have found that when they give people more responsibility, they will usually step up.

### Uniform and equipment

Unlike their mainstream competitors who make their employees buy all of their equipment, MGR provides hats, tools and safety equipment to their new employees. Workers must buy their own boots, but if they can’t afford the upfront costs, MGR will make a loan and deduct payments from payroll.

Once employees are off probation (following their three-month and nine-month evaluations), they are expected to provide their own tools.

### Hours/Wages

Hourly wages start at \$12.50<sup>1</sup> for entry-level and go up to \$19 for a Lead Hand position. Over a two-week period, MGR tries to provide 70-75 hours for each employee. Trades people (e.g., carpenters) and professional Project Managers are salaried.

After three months, employees qualify for a group benefits plan.

MGR tried instituting payroll advances, but found some employees would not return to work after receiving them, so they eliminated this program.

### Scheduling and accommodation

Employees are expected to call if they are going to be late or absent, or face a three-day day suspension. Stewart tries to accommodate his staff's schedules, especially around childcare needs.

If an employee stops showing up for work, Stewart will go to their house to find out what the situation is. He is usually successful in re-engaging them.

### Leave of absence

MGR does not have a formal leave of absence policy, but leaves are granted on a case-by-case basis. For example, Stewart held a position open for an employee who needed to stay home over the summer to care for her children, because it would have been more expensive for her to work than to stay home. In other cases, he's given permission to newcomers needing to return to their home country for short intervals.

### Performance Appraisal

Direct supervisors provide formal performance appraisals after three months and again after nine months of employment. There is a self-evaluation component included as well. The evaluation covers strengths, weaknesses, and plans for improvement. Wage increases are tied to the appraisals and success in addressing areas of weakness. Stewart works with supervisors to help them set plans for their direct reports, improving their own management skills along the way.

### Recognition

MGR has two scheduled all-staff gatherings each year: their AGM in early winter and another get-together in June. They also hold impromptu events through the year to recognize successes; for example, when sales went up, they took the

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<sup>1</sup> Hourly minimum wage in Manitoba is \$10.45. <http://srv116.services.gc.ca/dimt-wid/sm-mw/rpt2.aspx?lang=eng&dec=5>

repair team out for breakfast before work at a local restaurant as way to show appreciation for the team. They also have occasional informal barbeques at the repair shop at the end of the workday during warm summer months.

### Complaints, Discipline & Termination

MGR has a discrete and tolerant approach to discipline. “We’re here to grow with people so we ‘help until it hurts,’” says Stewart. As long as an employee is showing an effort to improve his or her actions or behaviours, “we allow learning to happen,” Stewart adds. Theft, violence, and dishonesty are not tolerated, and result in termination.

The most common staff complaints are related to perceived slacking by co-workers on team-based projects. Complaints are handled by direct supervisors, and escalate to the General Manager if necessary. “We acknowledge that people come from different places and there is no right way or wrong way, but it should be framed that it should be done how MGR wants it done,” says Stewart.

Overall, MGR focuses on doing what they can to keep their employees working. If the employee is struggling with skill development, they will work with them to improve their skills or move them to more manageable tasks.

If, after all efforts to work with an individual are not successful and there are no signs of improvement, MGR will terminate their employment.

### **Other Employment Supports**

MGR does not offer formal employment supports to its target employees, but instead provides a great deal of informal coaching, both from management and peer-to-peer.

### **Community Supports**

MGR has formed a working group with two other social enterprises, [BUILD](#) and [Inner City Renovations](#), both of whom are dedicated to reducing poverty through employment. Employees who come to MGR from BUILD’s training and apprenticeship programs have had access to BUILD’s employment support team, including a Life Skills Coordinator, Training and Retention Coordinator, Drivers’ Training instructor, and Employee Liaison.

MGR, BUILD and Inner City communicate on a regular basis, meeting every one to two months, and participate as an industry group in the Manitoba chapter of the Canadian Community Economic Development Network (“CCEDNet”).<sup>2</sup>

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<sup>2</sup> CCEDNet is a national member-led organization committed to strengthening Canadian communities by creating economic opportunities that enhance social and environmental conditions. <https://ccednet-rcdec.ca/en>

CCDNet has been helpful to them in advocating for social procurement regulations and other government policy issues.

## Challenges

MGR faces a few challenges as a result of its unique employment model:

When bidding for contracts, MGR's employees are sometimes excluded because of their criminal records.

The company is required to carry an employee dishonesty rider<sup>3</sup>, raising the costs of their insurance.

As a non-profit without a traditional owner, MGR has a difficult time accessing start-up venture capital, especially capital is flexible enough to meet their needs.

Current government regulations lack provisions for social procurement; thus MGR does not receive any preference in bids for being a social impact provider.

## Cost of Employment Support

MGR earned gross revenues of \$1 million in 2013. It runs four business lines at a break-even or surplus level. Since MGR's first year of business in 2009, starting with three employees, they have grown in each successive year. They have a healthy balance sheet, which includes ownership in a building (which has increased in value by 20%), trucks, and other capital investments. Each year's surplus is invested in capital and personnel expansion.

MGR's only significant employment support costs are related to extended training, which they estimate to be three times as high as their mainstream competitors. These costs are not measured separately, but rather are incorporated into operations costs, and are offset by lower turnover rates.

MGR charges market rates, including a 15% margin, for all of its services. A large portion of the margin is absorbed into training, to get new employees up to a productive level. "If we were running full steam and everyone was experienced," says Stewart, "we would generate 15% margin but we have never crested, so the majority [of the margin] gets absorbed into lower levels of productivity because we keep adding new people."

## Employment Outcomes

"We are successful if people are employed on a regular basis to provide stability in their lives," explains Stewart. Since MGR does not have to report outcomes to any funders, it does not formally collect employment success metrics.

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<sup>3</sup> A rider is a provision or modification to an existing insurance policy that provides additional coverage to an insurance policy

Nonetheless, employees self-report many benefits from their employment at MGR, including:  
increased **confidence**;  
**stabilized housing** situations ; and  
**improved family relationships**. Some are able to pay for child support when they could not before.

Most employees come to MGR highly motivated. Those who leave on good terms (which, according to Stewart, is the rule rather than the exception) do so with workplace and job-related **skills**, an experience of **success** and a **willingness to take on new challenges**. “People feel good that they are contributing to society and being a breadwinner; [they] take pride in that,” says Stewart.

Since most of the work is crew-based, employees learn to how to make decisions and solve problems as **part of team**, a valuable skill they can use in all parts of their life.

Stewart also observes a higher level of **self-respect**, deriving from the self-confidence they acquire on the job. “When they first start, they may be coming in with track pants, but then they start to look like painters or carpenters. Sometimes when people come to the interview, they have hats with a flat bill; they look like punks on first sight, but they don’t look like punks anymore. Consequently, I think they get treated better, and how they are outwardly being perceived positively changes.”

As an enterprise, MGR benefits from its employment mandate in two key ways:

- **Lower-than-normal turnover.** Stewart believes MGR’s low turnover rate may be attributable in part to new employees’ low self-confidence, “because they may not believe they can go elsewhere are first.” However, he adds, “If they are put into a position where they are going to succeed, and they experience success, they want to stay.”
- **Competitive advantage.** Effectively communicating the social and environmental value of MGR’s business to prospective and return customers has made sales pitches easier, says Stewart. “Poverty issues are complex, and people want to help but they don’t know how. Generally they give to a charity as an option to help poverty, but hiring us is a specific way to help a specific demographic in the town they live in.”

## Key Takeaways

MGR focuses on highlighting employees’ skills and finding jobs that meet their skill level. They have selected business activities that have a number of different positions and levels, allowing employees to improve over time and stretch themselves to new levels of achievement.

The enterprise's success may be attributed to the management's positive relationships with employees, and their effective communication of the social and environmental value of their business to prospective and return customers.

MGR's practices include a number of innovations that separate them from, and to a degree give them a competitive advantage over, their mainstream competitors:

They **recruit through community partners** such as BUILD, which provides pre-job training and personal life supports to their employees. They provide **financial incentives** on occasion, such providing boots and deducting the cost from future paycheques. Employees receive a significant amount of informal **coaching and mentorship**, from management and peers alike. Stewart himself provides a positive role model for his staff, modeling the basics of self-respect and building their confidence in their ability to be providers and contributing members of society. Promotions are based on **individual goals and achievements**, not in comparison to other employees. Stewart and his staff exhibit a high degree of **tolerance and compassion** for people, while at the same time reinforcing work commitment and communication as key life skills. In cases of misbehavior, they take a personal approach to find the root of the issue rather than immediately resorting to disciplinary or punitive measures.

Having proven to himself and others that this model works, Stewart is planning in the future to expanding the business into other areas, such as moving, baking, or running a Subway® franchise. His passion for the work seems limitless. "I am very fortunate to be able to have employment doing something that I feel is important – I feel I am having an impact and I am helping. It is ideal and wonderful."