



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



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SARCAN RECYCLING

Overview

SARCAN is a unique multi-location social enterprise that has the sole beverage container recycling contract with the province of Saskatchewan. Most depot employees have mental and physical disabilities. SARCAN's leadership attributes much of its success to the fact that employees have a serious commitment to their work and feel good about its environmental and social benefit to the province of Saskatchewan.

Background

SARCAN Recycling provides environmental protection, employment creation and economic development through a province-wide network for recycling beverage containers, paint and electronics.

SARCAN employs people of all abilities. With 650 employees across rural and urban Saskatchewan, it is one of the largest employers of people with disabilities in Canada. SARCAN has 71 recycling centres throughout the province, two processing plants and one administrative office in Saskatoon.

SARCAN Recycling is a division of the Saskatchewan Association of Rehabilitation Centres (SARC). SARC is a non-profit association that represents community-based organizations that provide services to people with disabilities throughout Saskatchewan. SARC consists of over 80 Member Agencies throughout the province that serve people with disabilities in the areas of residential supports, employment supports, education, and community recreation/activities.

SARCAN was founded in 1988, when SARC was awarded the exclusive contract to collect and recycle non-refillable beverage containers in Saskatchewan. In recent years, SARCAN has expanded its programs to include end-of-life electronics and paint recycling. Each year, the company diverts 20,000 tonnes of material from landfill and recycles approximately 400 million beverage containers.

Target Population for Employment

Seventy percent of SARCAN's employees are people with intellectual disabilities or persons previously on welfare or social assistance. Since not all staff members self-identify as having a disability, SARCAN instead speaks of hiring "people of all abilities."

Common barriers to traditional employment among staff include:

- Physical disabilities, including visual, hearing, and motor skills impairment. Many of the employees' disabilities prevent them from communicating in ways that may be required in mainstream workplaces, using computers, or holding drivers licenses.
- Lack of workplace accommodations associated with aforementioned disabilities.
- Poverty. The high cost of living in many growing areas of Saskatchewan means that even a minimum wage job leaves many living near the poverty line.
- Loss of social assistance benefits (disability, medical and prescription plans) if wages exceed earned income limits.
- Transportation. Many of the employees rely on bus service, so if transportation systems are down, they are unable to get to work.
- Social isolation. Many employees also may be "socially disabled" by their lives and experience.

Other barriers include gaps in work history, lack of skills, training or work experience, and low literacy.

Although SARCAN has been successful in employing people with a wide range of disabilities, the model has not been a good fit with those living with severe mental illness with cyclical natures such as schizophrenia, depression, or bipolar disorders.

The Employee Journey

SARCAN's employees assume a wide variety of roles, including recycling technicians, equipment operators, cashiers, depot supervisors, and office support and administration. Some targeted employees share the same roles as non-targeted employees.

Recruitment and Hiring

SARCAN works with agencies around the province, such as [Partners in Employment](#), which assist individuals with disabilities in finding work through supported employment and independent living programs. They also post job openings internally, through newspaper ads and their website.

In addition, SARCAN works with public and Catholic schools, finding eligible recruits through their special needs classes and Ready to Work programs. They partner with colleges across Saskatchewan to provide a six-week work experience for students, which leads to a job offer for some students.

Each position has its own base level of required skills and physical and mental capabilities; for example, some roles required the ability to identify and sort colours or materials, while others require the ability to do heavy lifting. Once it is determined which criteria the prospective employee meets, the rest of the interview follows mainstream procedures. New hires sign a formal work offer.

Training

Every new employee in every location starts his or her employment with a corporate orientation, generally lasting one and a half days, which includes: a review of SARCAN's mission and goals, including environmental principles; familiarization with the company's policy manual and benefits plan; and Workplace Hazardous Materials Information System (WHMIS) training, adapted for employees with disabilities. The training session includes videos.

Once supervisors have provided initial job training, ongoing support is provided through other employees through a structured "buddy system."

Supervisors receive additional training in occupational health and safety, equipment operations, and other areas specific to their role. In general, non-targeted staff do not receive external training on how to work with people with disabilities in this setting; rather, SARCAN looks for pre-existing skills in this area during the hiring phase.

Additionally, SARCAN conducts a full-day staff training every two years, closing its depots and providing transportation to bring together all employees from each region across the province. Sessions cover topics ranging from safety to healthy diets to customer service. Supervisors are offered additional training in occupational health, first aid, and supervision on training employees.

Performance Reviews and Promotion

Direct supervisors conduct performance reviews with all staff annually. Levels of review are adapted for targeted employees, and criteria are adjusted accordingly.

SARCAN offers positions across a range of responsibilities, spanning ten pay grids – job classifications have been created to suit targeted employee skill levels. All open positions are posted internally as well as externally. Employees who apply for promotion to a higher-level position go through the same formal interview and hiring process as external candidates.

Employees may be promoted through a series of positions between depots and management. Supervisors at the depot and plant level are involved in day-to-day management and offer career advice.

Recognition

SARCAN holds an annual service awards banquet, which recognizes employees for every five years of service. This is the big event of the year for the staff; transportation and accommodations are provided for all employees to attend the event, and photos are published. Each year, around 90 staff members receive a service recognition milestone award; in 2013, 16 people received an award for 25 years of commitment.

End of Employment

SARCAN has a very high retention rate. Some employees stay with SARCAN for many years, while others move on to higher paying positions with other companies. For example, one former SARCAN employee went through an exhaustive application process for a caretaker position with Saskatoon's public school district. After his application was rejected, he appealed the decision with the school board, using his experience working at SARCAN for several years as proof of his value and capacity. He got the job, and is still working there, earning more money than he could have at SARCAN.

HR Practices

SARCAN has a human resources department with standard protocol. The enterprise has three different levels of employment:

- 450 employees are permanent full time (40 hours/week with full benefits);
- 160 employees are permanent part time (20 hours guaranteed with full benefits);
- Casual employees assume varying positions with no guaranteed hours or benefits; for example, a one-day per week cashier who fills in occasionally for a full-time cashier.

Benefits

Permanent employees are offered a full benefit plan, including three weeks of paid vacation (four weeks after 10 years and five weeks after 15 years). SARCAN pays 100% of the costs associated with medical and prescription drug plans for all employees. SARCAN also offers an employer-matched pension plan.

Depot employees are provided with a uniform, including coveralls, hard hats, gloves, safety glasses, and a boot allowance of \$100. Some employees are provided with a blazer with company logo. SARCAN supplies all equipment.

Wage policies

Entry-level wages at SARCAN start at \$11.28 per hour plus benefits (higher than Saskatchewan's minimum wage of \$10 per hour), with higher-level positions earning \$20 - \$22 per hour. SARCAN's board reviews wages annually, and higher returns may be passed on to employees. Cost of living increases are included annually, pending Board approval.

Approximately half of SARCAN's locations are operated under contract with local agencies that function as the employer of record for tax purposes. Those agencies use SARCAN's policies and procedures. Some of those agencies are unionized, so their employees' benefits fall under their collective agreements. However, SARCAN has a provincial wage scale that is not negotiated in collective agreement, so all SARCAN employees receive standardized wages.

Complaints

SARCAN has a standard policy around employment complaints, with internal complaints handled by the supervisory staff, escalating to regional management and then, if necessary, senior management. Generally, workers tend to get along with each other. Kevin Acton, Director of Operations, suggests that SARCAN's culture has something to do with this: "It's the culture and the well-known part of who we are [...], the people we hire. They have tough personal challenges, and the fact that they can have a job and hold it down generally results in their getting along with fellow workers."

Additional Employment Support

Employment support is not a stand-alone internal function within the organization, though it was at one time. Some employees come to SARCAN through community-based employment agencies that provide a job coach to help get them established and learn the job. These coaches may return from time to time as needed.

Even without a dedicated employee support staff person, SARCAN does offer a number of support and accommodation structures for its targeted employees.

Health and Wellness

SARCAN contracts with occupational health and safety nurses who provide services to about one-third of the total employee base. Nurses visit employees once a month to provide intermediate care, and are involved in modified Return to Work programs for those who need them.

Since many SARCAN employees fall through the cracks in the health care system, nurses work as advocates for employees, functioning to some degree as "den mothers" of the plants and depots. Nurses provide lunchtime clinics on a variety of health and wellness subjects, including diet and nutrition.

SARCAN also has an employee committee dealing with occupational health. Employees also have access to counseling through an Employee Assistance Plan.

Adaptive Equipment

Beyond adapting its computers to facilitate their use by employees with visual impairments, SARCAN has designed all of its plant equipment to integrate with the skills and abilities of its target employees. In lieu of replacing employees with machines, this approach keeps the enterprise productive and competitive, while still allowing them to achieve their "3 E's" mission (employment opportunities, economic development, and environmental impact).

As an example, SARCAN introduced an easy-to-use can-flattening machine that requires a staff person to feed containers into the flattener, creating a new position with a low barrier to entry. This innovative piece of equipment also significantly reduced transportation costs, and the money saved was reinvested into creating more jobs.

Money Management Skills

SARCAN's supervisory staff help employees with basic financial skills like opening bank accounts to manage their income. In one case, the mother of a new employee complained that her son had not been paid after many months of employment, but it turned out that the employee had been putting all of his paycheques into a box because he did not know how to put them into a bank account. In this case, SARCAN stepped in to help.

Transportation Advocacy

Public transportation is essential for SARCAN's employees, so SARCAN works to make its facilities accessible to transportation, or locates in communities where getting to work is not an issue. Recently, SARCAN's management negotiated with the city where its newest plant is located to change the bus route, adding a stop outside the plant to facilitate 20 employees getting to work.

Educational Funding

SARCAN's Professional Development policy encourages employees (often with help from their supervisors) to apply for subsidies for classes or courses they've identified that will help them develop or enhance a skill. SARCAN offers up to 75% of funding upon successful completion of educational pursuits.

Community-Building and Organizational Culture

Before coming to work at SARCAN, many of its employees have limited social networks outside of the group homes in which they live. SARCAN offers a number of different opportunities to create a sense of community within its large employee base. Each location has a social committee that organizes a variety of opportunities

for socialization, such as pizza lunches, Christmas parties, football games, bowling and barbeques. "Our Christmas party is the social event of the year; people are practicing dancing now," notes Acton. Staff gatherings are funded through the sale of returned bottles to individual wine and beer makers, and customer tips.

Employees at all levels contribute to the employee newsletter, SARCAN Spirit. SARCAN also nurtures its relationship with local media. They organize many media events, and always talk about their employees, featuring them frequently in stories, which in turn help to reduce societal stigmas associated with disabilities.

Government Support

In essence, government contracts sustain the business. The Saskatchewan Ministry of Environment monitors, evaluates and administers regulations for SARCAN. Municipal and provincial governments have been supportive in developing policies that have significantly helped the enterprise.

Also, the Correctional System manufactures custom-designed recycling bins used at SARCAN.

Challenges

While SARCAN is operating as a successful social enterprise, it still faces many challenges around hiring and retaining people facing multiple barriers to employment. These include the need to innovate to develop machinery and processes suitable for their target employees, and the lack of access to training for non-targeted staff on learning how to work with people with disabilities.

Another challenge is the accelerated aging process of employees with both physical and mental disabilities. SARCAN's Director of Operations, Kevin Acton, notes that they are currently looking into ways to transfer employees in their 50's and younger into disability packages, even though they are not yet ready to retire. "The nature of the job is that they are on their feet," says Acton, "and we are trying to have a more accommodating workplace, but there are physical difficulties. The sector needs to have this conversation."

One of SARCAN's unique challenges is a direct result of their success – competition for their staff. With Saskatchewan's economy booming, other businesses are starting to hire people with disabilities, recognizing they are diligent and responsible employees. In some cases, competitors are poaching directly from SARCAN's employee pool. "It's great that other businesses are hiring disabled people," says Acton, "but it's harder for us to get employees!"

Cost of Employment Support

As is the case with many other social enterprises, one of SARCAN's biggest challenges is keeping its costs in control, including those associated with its employment mandate, and generating a surplus. Even so, SARCAN does generate a surplus based on its funding mechanism. They collect and sell about \$7 million worth of materials per year, and collect another \$22 million from environmental handling fees, which together more than cover their annual budget of \$27 million.¹ Reinvestment is then made into renovation, new equipment and other capital expenditures.

Employment Outcomes

SARCAN reports annually to the provincial government on number of employees who were previously on social assistance and/or are intellectually disabled. When considering the savings to the province in terms of what it would be spending if all of SARCAN's employees were back on social assistance, their estimated social return on investment is \$2.5 to \$3 million per year.

SARCAN's employees arrive with a wide range of skills sets, and a shared attitude "that they want to be able to work and are excited to be able to work," says Kevin Acton, Director of Operations. They are motivated being part of a company that focuses on the "3 E's": Economic development, Environmental impact, and Employment opportunities. They leave SARCAN with employment success, certification and opportunities for advancement, social friendships, a feeling of pride, a sense of community, and the financial reward and economic stability that comes from having earned a paycheque.

SARCAN itself benefits from its employment model in several ways. In its early stages, the company was intended to be a social enterprise focused on training, but management changed the model once they discovered that workers preferred continued employment. This decision has led to a strong retention record, consistency of operations, and continuity in culture over the years. SARCAN's stable workforce and exceptionally low absenteeism rate have direct cost benefits.

SARCAN is breaking down social barriers, first, by allowing non-targeted employees to see firsthand what people with disabilities are capable of achieving, and secondly, by demonstrating the value of inclusiveness in the local economies in which they operate. Public support of this initiative is very high, with a growing number of people recognizing the talents people with disabilities have to offer. For

¹ With costs continually rising in Saskatchewan, unless handling fees are increased over the next two to three years from their 1992 level of \$.05 per can, SARCAN anticipates seeing its margin decrease, threatening the operation's long-term viability. It is thus putting more efforts into greater operational efficiency and raising employee performance expectations.

example, a curbside waste recycling company in Regina recently asked SARCAN to help them start hiring people with disabilities. The model is working and growing.

Key Takeaways

A number of factors contribute to SARCAN's success in employing people facing multiple barriers to employment.

The enterprise's inclusionary recruitment and hiring practices feed into its work approach, "to ensure that people are successful." Supporting their employees' success is the joint responsibility of all of their supervisors and leaders. The structured "buddy system" to provide ongoing peer-to-peer support following training is an innovative practice.

SARCAN listened to its employees' desire for ongoing employment and changed the model from a transitional training program to an ongoing employment provider. This change resulted in positive outcomes for employees and enterprise alike.

SARCAN provides a significant number of employee supports, including:

- Full health care coverage
- Occupational health and safety nurses
- Adaptive equipment
- Skill development (e.g., money management)
- Creating community connection and engagement
- Employee recognition for length of stay
- Matching Employer/ employee contribution pension plan

Finally, all of SARCAN's employees, both targeted and non-targeted, are committed to the company's mission, with a very intentional focus on environment, economic development and employment. In particular, Acton feels that the connection to the environment helps people feel great about the work they're doing. "Everyone understands that, even Gus who is severely [disabled] and works at one of the plants -- he knows that he is helping the environment." In this way, giving back to the community is a motivator for both customers and employees alike.

Acton attributes SARCAN's success to the drive of the employees themselves. "Their personal desire, commitment or drive to be 'normal,' to be perceived as 'normal' and not 'disabled,' is the single driving force of our people's successes," says Kevin Acton.