

Attractive Workplace for All: A contribution to the Lisbon Strategy at company level in Hungary

Éva Berde

A feasibility study for Hungary

National background

In the period between 1989 and 2005, there have been major transitions in the economy of Hungary. These changes have obviously had an impact on the structure, the quality-demands and the basic principles of employment. If we look at the surface, the situation can be characterised by the fact that on 1st January 1989, according to the labour account of the Hungarian Central Statistical Office, 79.75% of the working-age population was at work, whereas on 1st January 2005, this ratio was only 59.73%. The two numbers are not fully comparable; the retirement age in 2005 was higher, thus the relative employment rates have not dropped as much as these numbers would suggest. What we can see clearly, however, is that in the economy, which has transformed and has been structurally modernised by 2005, the workplace has gained a much greater value than what it had in 1989 and beforehand. This is also indicated by the data of the Hungarian Central Statistical Office that in the third quarter of 2005, the employment rate of the fifteen older EU members was on average 10% higher than the 57.3% of Hungary. Nevertheless, it is important to mention that the low employment rate originates in the large number of the inactive, as the 7.2% unemployment rate in 2005 cannot be considered as high in the European Union. Yet, the high number of inactive people indicates special Hungarian problems.

During the fifteen years after the regime change not only the sectoral structure of the economy has adapted to developed present-day market economy conditions, but the conditions of ownership as well. After the major part of privatisation was completed, in January-February of 2006, according to the data of the Hungarian Central Statistical Office, 69.5% of those at companies employing more than four people worked in the competitive sphere, 28.4% worked in the budget sphere and 2.1% worked at non-profit organisations. The dominance of the competitive sphere was, at the same time, related to the high proportion of small businesses. According to the data of the Hungarian Central Statistic Office in 2003, 99.2% of functioning enterprises employed fewer than 50 people, moreover, 95.2% of them were micro-enterprises with employees fewer than 10 people, 0.7% were medium-enterprises with 50-249 employees and a mere 0.1% of them belonged to the category of firms with more than 250 people.

The six orientations of the Lisbon strategy can be realised more easily on certain areas of the above described structure of the economy, whereas on others it may be more difficult. A large proportion of small businesses are struggling for life, so here the question of making work pay – making work attractive does not often get on the agenda. Moreover, the balanced flexibility of work is often set aside by the employees themselves, in situations when keeping the job becomes the most pivotal question. Naturally, state regulation and legislation often give assistance, but the most important thing is that since the regime change and our EU-accession, the approach that is vital for the future realisation of the six orientations, has continuously been evolving. In the

paragraphs below, we are going to summarise the Hungarian situation of the Lisbon orientations, and the corresponding activities of the different social actors.

Reception, communication and assessment of the Lisbon strategy

The government-level adoption of the principles of the Lisbon strategy already began before 1st May 2004, the date of our EU-accession, with the harmonisation process of employment acts, as well as through the setting of employment policy guidelines. These processes have accelerated and, in the National Action Plan for Employment of 2004, which was coordinated by the Ministry of Employment and Labour, they were explicitly formulated. The Action Plan puts particular emphasis on strengthening social cohesion, reception and the negotiation between the parties taking part in the execution. Therefore, besides inter-ministry coordination, the conciliation of the Action Plan has also taken place with non-governmental partners, such as trade unions and organisations representing the employers.

For the sake of harmonising economic development and growth with employment, in 2005, a uniform plan, the National Reform Programme for Growth, was born with relation to action plans towards 2008. To help the execution of the programme, the government pays particular attention to national and European-level partnerships in the widest possible sense. As for national consultation, this means a continuous dialogue with domestic professional and social partners and the councils. As a part of the half-time investigation of the Lisbon strategy, certain strategic goals for employment policy were redefined, on the basis of which the introduction of measures on the field of legal, monetary and tax regulations were projected. The fulfilment of the National Reform Programme for Growth is also assisted by the government's elaboration of the 100 Steps Programme, whose labour measures strengthen, and in some cases improve the action programme drawn up after European initiation.

Beyond doubt, the Hungarian administration is fully committed to the takeover of the Lisbon orientation and the European guidelines for employment. However, we have to consider those unique problems (partly existing in other countries of the Central-Eastern European region), which hinder the realisation of these priorities. These specific problems are the contradiction between the growth of employment and the improvement of wages, the extremely low employment of under-qualified population, the almost complete exclusion of the Roma population from the labour market, the degree and permanence of regional differences and the difficulties in the accordance of the rapidly expanding higher education with labour force demand.

Although elaboration on the problems above is not the aim of this report, owing to its extraordinary weight, the question of the Roma population has to be briefly mentioned. There is a major difference between the data of the census of 2000, according to which 198 thousand people confessed to be Roma, and their actual number, which can be estimated between 600 thousand and one million, which means 6-10% of the Hungarian population. Every social scientist dealing with the question accepts this latter number as the real one. Researchers also agree in the fact that the Roma are the losers of the economic transformations (Köllő, 1998). This is because in the previous regime, they could not integrate into the society, however, due to the existence of workplaces in the socialist industry which demanded low qualifications, and the obligation to work, at least most of them had jobs. By losing their work, the majority of them got into a vicious circle: without an opportunity to earn money their housing conditions have worsened to a considerable extent, which has had a negative impact on the educational opportunities of their children and made their emergence from a disadvantageous situation even more difficult.

Policies and programmes

The realisation of the Lisbon orientations are to be fostered by numerous harmonised political programmes and measures. These programmes constitute twenty-two in the 100 Steps which are

related to the world of labour. The aim of the 22-step programme-package is to make work rewarding for the people. Everybody who wants to should be able to find a job and this ought to be enough to make a living. The defencelessness of those working in the gray and black should be done away with, and they ought to be given the security ensured by social insurance. Work-related controls have become stricter and the book of casual employees has been introduced. With the book of casual employees those with a casual-work-lifestyle can obtain permanent legal insurance relations and this way a right for unemployment, health and pension services.

The micro-, small- and medium enterprises that are so emphatic in the Hungarian economy should expand as well. In the interest of this, the government has preserved the system of simplified entrepreneurial tax, which was introduced in 2003, which makes the administration and tax burdens of the enterprises involved considerably easier. They have established an innovation stimulating programme, which financially supports the innovative and founding activity of fresh graduates. For the initial support of small enterprises, incubator-houses have been introduced. The Operative Programme of Economic Competitiveness gives subsidy and credit opportunities to already operating enterprises. It is another objective that those who have already disappeared from unemployment-statistics, as they have become inactive, should also return to work. Therefore, employers get different kinds of benefits if they hire unemployed people. The 100 Steps Programme also emphasises that older generations and the disabled should also find their suitable place in the world of labour. Citizens with disabilities are assisted by special institutions as well. In every county employment-centre there is an Employment Information Consultant and in most counties, people with disabilities are assisted by Rehabilitation Information Centres. Another objective of the 100 Steps Programme is that discrimination against female labour force should be curbed and everyone who wishes ought to be given the opportunity to do flexible work. A Start-programme, fixed in a separate law, assists career-starters. (About these latter measures, see the Recent legislation section in more details.)

The labour package of the 100 Steps Programme is in close connection with the other components of the programme, especially with steps concerning taxation, education and agriculture. These programmes wish to expand working opportunities and improve the standard and quality of employment through regrouping tax-burdens with occasional cuts, improving the standard of basic training, and the modernisation of agriculture.

Owing to its novelty, in connection with vocational training, the recently launched Step One Forward programme is worth mentioning. Since 40% of the working-age population lack vocational qualification, the Step One forward programme would like to help them acquire marketable knowledge. The government offers free training, primarily from EU sources, to those people who have not even finished primary school, or to those who have, but they do not have other vocational qualification. Those who do have qualification, but it is not marketable, or they have a secondary final exam, but no qualification with it, also get assistance. To acquire a marketable profession, the government ensures financial resources to these people. Marketable professions are defined on the basis of regional characteristics separately.

It is also worth mentioning the transformation of the training of those having finished primary school and choosing vocational training institutions. The weight of professional orientation has been increased both in schools offering a secondary final exam and offering only vocational qualification, where in the past years, general knowledge education has been going on in the first two years almost exclusively. This has brought about the drop-out of many young people who were not interested in subjects of general knowledge, but would like to get a profession and would also like to work in it.

Recent legislation in relation to the Lisbon strategy

Recent regulation in relation to the six orientations of the Lisbon strategy has been enforced in the above mentioned spirit of the 100 Steps, and at the same time, some earlier legislative measures

are worthy of note as well. Recent legislation in relation to the six orientations is very comprehensive, therefore, only the most important elements are going to be mentioned here. More details can be found on www.afsz.hu (mostly in Hungarian).

- The system of unemployment-support has been transformed. Instead of unemployment benefit, those having lost their jobs get job search support and more efficient service. The aim of job search support is to back active job seekers only, but in a more efficient way than before.
- The system of entrepreneur-support has been introduced, which gives the same allowances to sole traders who have lost their job opportunities if they have paid entrepreneur contribution before, as it does to former employees.
- The Book of Casual Employees has been introduced and developed. This serves the employment security of casual workers. The work has to be certified with a note and a stamp for the payment of common public charges, on the white page of the Book by enterprises, on its blue page by private employers, and on its green page by agricultural employers.
- Work-related controls have also become stricter, the activities of different controlling authorities have been aligned. Building industry, tourism and the catering trade are of particular importance on this field. New regulations have also been enforced concerning the legal liability of employers in the black.
- A new system of regulations and subsidies has been established for employee leasing. On the one hand, the alteration makes it more difficult to fink out of the payment of common public charges, and on the other hand, with the assumption of certain contribution-burdens, it gives assistance to employee leasers if they hire people previously out of work.
- The regulations concerning the utilisation of funds for public works, which offer jobs for those in the most difficult labour market position, have been amended, so that these funds are more concentrated, and help return to labour more efficiently.
- The funding system of adult training has been transformed. The objective is that only those institutions get support, which can certify that an adequate ratio of those taking part in the training managed to find work with their newly acquired skills.
- The set of regulations concerning the programme for pre-pensioners has been elaborated in both the public and the private sector. With this, the employment of part-timers before their retirement is supported. In the public sector it is so to a greater extent, as the projected support for the private sector only refers to contributions.
- The funding system of people with disabilities has been transformed. The objective is that it should be the needy who get the support and misuse should be restricted. Disability pension is only available to those with an injury and a proper length of labour relations, whose income has considerably less, by at least 20%, than the former income.
- The regulations of the Start-programme have been established, which gives contribution-discount to employers hiring people under 25 and, in case of a degree, under 30 years of age. For this, young people have to acquire a so-called Start-card.
- A contribution-discounting set of regulations is valid for employers hiring unemployed over 50, or those seeking a job after nursing a family member.
- In order to transform, modernise and to make vocational training more market-compatible, the regulations related to Regional Integrated Vocational Centres have been introduced. The aim of this is to abolish the extraordinary fragmentation of vocational training, and that vocational training schools only teach professions which are on the one hand,

marketable, and on the other hand, the human and intellectual resources necessary to teach them are available.

- The new law of higher education has been enforced, which, in accordance with the European higher education area, divides tertiary education to bachelor's and master's degree, which are complemented by PhD programs on the highest level. The objective of the bachelor training is to ensure immediate success on the labour market.
- Enterprises are obliged to pay 1.5% of the gross salary into the Vocational Training Fund, however, since 2004, one-third of this sum may be used for training their own workers, which can stimulate the arrangement of trainings at the workplace. Most of the remaining sum can be offered for investment in vocational training institutions. Those who fulfil their duties by organising practical trainings may even use the total sum for this purpose.

Processes between the key actors

The parties interested, or in some cases, less interested in creating the 'attractive workplace' are represented on the highest level in the National Tripartite Forum, which was formed in 1998. The National Tripartite Forum is the macro-level conciliation forum of employee trade unions, employer representatives and the government. The link between workplace and national-level reconciliation is the sectoral one, established after our EU-accession, in the form of 36 sectoral and sub-sectoral committees.

The opportunities and lobbying power of the three key actors are quite different. Based on the data of Labour force surveys, trade unions are only present at one-third of the workplaces, however, only 17% of the employees are members and among them, the generation over age 54 is over-represented as well. Employees are rather uninformed about collective agreements, thus the 25% collective agreement stated in the supplement-survey of the Labour force survey cannot be accepted as a valid ratio, either. The membership of the six largest unions decreased even between 1998 and 2003 (Koltay-Neumann, 2005). It is not surprising that they can barely represent the interest of their members on corporate, or sectoral-level. Illegal work time-extensions, unlawful layoffs, offences against work-security and other labour regulations are frequent, when the interests of union-members cannot even be defended by the functioning unions. (e.g. See the Black Book of the Democratic League of Trade Unions, and the fact that, despite several disclosed offences, at the beginning of May 2006, only sixteen companies not complying with labour regulations were mentioned in the Book.) The position of trade unions is further weakened by the frequent conflicts in the interests of the six major confederations. Yet, they are more active in the National Tripartite Forum and they played a key role in defining the minimal wage for 2006.

The employer-side of the Forum is represented by nine organisations. Although the number of their members have also dropped compared to the numbers with obligatory membership before the regime change, experience so far has shown that they are always able to form a unified standpoint and to offer adequate lobbying power. Nevertheless, the profit of organisation-members also determines what interests each organisation fosters.

Finally, the objectives of the third actor of the Forum, that is the government, have already been introduced in the previous sections. The goals defined by the government are not only determined by the negotiating power of the two other actors, but by the budget available as well.

As for the role of the Lisbon orientations and the three members of the National Tripartite, the initiator is definitely the government. The activity of trade unions and employer organisations is rather a reaction to governmental ideas and legislation, than initiative actions. We can also put it this way that the Hungarian situation resembles the circumstances described in the 2004 [Annual report of the European Foundation for Improvement of Living and Working Conditions](#).

Impact and outcomes

Since all Hungarian ideas in relation to the Lisbon orientations are centred around the 100 Steps, the possible outcome should also be evaluated from this aspect. The opportunity that the EU also stimulates the elaboration of medium-term national strategies, and rich and thoughtful plans is well utilised by the 100 Steps Programme. However, the economic policy of the government which was formed after the 2006 spring elections, contains several modifications and inevitable restrictions. As these measures are in the stage of negotiations and introduction at the end of June 2006, it is not known yet, how they are going to influence, or foster the realisation and the impact of the above mentioned programmes.

Significance of the 6 orientations in the national context

The Lisbon Orientations are very important for Hungary. If they materialised, they would contribute to the increase of employment rate, the decrease of unemployment, the strengthening of entrepreneurial propensity and acquiring modern technology competence, and this way they would facilitate economic development. Moreover, it would have such consequences that people would find balance between their private life and their work, they would feel better at their workplaces, there would not be groups excluded from work and women would not be penalised for leaving on maternity. In the paragraphs below we are going to demonstrate where Hungarian reality is with regards to each orientation.

6 Orientations

Orientation 1: Fostering employability

The two most important factors in ensuring continuous employment in Hungary are the adequate basic training and the life-long learning of employees. As for the standard of basic qualification, according to the data of the Central Hungarian Statistical Office, it has improved. In 2004, almost 48% of the 20-24 age group took part in some training, which for the most part meant higher education. However, the large number of early dropouts is a problematic issue. For years now, the ratio of those finishing primary school within the prescribed time is only 90%. Three out of four students from the remaining over-age 10% never finish primary school. The situation is made only worse, as many people after finishing primary school remain unskilled. This is also owing to the educational policy decision that proved to be wrong later on, according to which improving the qualification of the population was aimed at any cost. Thus training not offering a secondary general final exam (we call it matriculation exam) was brought down to a smaller scale, in favour of training offering such matriculation exam. However, not all students managed to obtain matriculation exam, though they would certainly have been able to learn a marketable profession. Today about 80-100 thousand qualified workers are absent from the labour market.

The situation of life-long learning is well illustrated by the fact that, according to the data of the Central Hungarian Statistical Office, in 2003, 19.5% of the population between 25 and 34, and a mere 4.5% of the 55-64 age group took part in learning taking all formal and informal ways of learning into account. Typically, the larger the company, the keener it is on organising training for its employees on its own. This tendency is also strengthened by the option to spend a third of vocational contribution (see last point in Recent legislation in relation to Lisbon strategy section) inside the company, as 0.5% of the gross salary paid is not enough for financing an inside training at smaller firms, whereas at bigger companies it is enough. It is a different question that the numerous duties in connection with utilising vocational contribution may act as a discouraging factor.

Workplace-change between premises of the same company in different Hungarian cities does not concern many employees, due to the small size of Hungary and the usual locations of enterprises. In the future, we can expect mobility between foreign and domestic premises of multinational companies to be a more relevant issue.

Orientation 2: Increasing labour market participation of under employed groups (women, young and older workers)

Unemployment rate among young people has exceeded the unemployment rate of the whole working-age population and this difference is steadily increasing. According to the data of the Central Hungarian Statistical Office, in the 15-19 age group the rate reached almost 28% in 2004, although we must add that in this age-group, those who are active in labour market, come from the underprivileged group of dropouts. Nevertheless, between ages 20 and 24, the deviation from the average unemployment rate was 7% in 2004, even though the average qualification of this age group is considerably higher than that of the whole working-age population. The high proportion of career starters among registered unemployed with diploma calls our attention to the increase of unemployment with a degree (Berde, 2005a). The above mentioned Start programme is to improve the position of career starters and, in addition to this, other active labour market programmes give them assistance, by supporting their employment and their obtaining of working-experience. The proportion of young people is also the highest on labour market trainings.

The unemployment rate of women has been lower than the corresponding rate for men, although the gap has narrowed in the past few years. The labour market position of women is better characterised by their low activity rate (about 10-14% lower than that of men), and their lower average wages. For example, women before university graduation are willing to take a job for the 85% of the salary expected by men (Berde, 2005b). Their prospects of finding employment are improved by supporting their employment during child-care allowance, by the family-friendly workplace programmes, by the obligation to make equal opportunity plans for workplaces with a large number of employees, by the governmental support of flexible working hours, and by controlling the decline of child-care institutions.

The labour market situation of older generations, besides the situation experienced in older member states, has been worsened by the economic transformation after the regime change. In many cases, the labour market experience of those even with a degree has become useless. At present, we can experience two opposite tendencies: on the one hand, raising retirement age gradually to age 62, and the demand of an ageing society for active people have created labour market opportunities to the older generation. On the other hand, the relative scarcity of workplaces, the inadequate qualification of the elderly, and their obsolete labour market experience hinder their employability. Another serious problem is the below-average health-conditions of the generation concerned. Active labour market programmes support the employment of older generations with the opportunity to get qualifications over 50 and by assuming certain burdens of those employing unemployed over age 45. Yet another important constituent is the introduction of general health-check-ups.

Orientation 3: Integration into the labour market of people at risk of exclusion (the long-term unemployed, early school-leavers, people with disabilities)

The long-term unemployed, along with the also populous group of inactive non-seekers indicate the most critical area of Hungarian labour market problems. According to the data of the Central Hungarian Statistical Office, in 2004, very similarly to previous years, more than 40% of the unemployed were jobless for more than one year. Although the 100 Steps Programme aims at their return to the labour market, the solution is not simple. According to Köllő (2005), a part of

this social stratum is continuously ageing out of the labour market, so the problems in connection with them move to the scope of social benefits from the labour market area. The problem is that, mainly owing to early school-leavers, this layer is continuously reproduced. As it is pointed out in the paragraph about Orientation 1, about 7-8% of the young never finish primary school and never learn what constant working means. Government efforts are manifested in the elaboration of the mentor system, the casual opportunities of applications for the training of underprivileged layers, and in the support of non-governmental organisations dealing with these issues. The population falling behind, as it was mentioned in the National background section, is largely made up of Roma citizens. The learning of Roma students is assisted with special application opportunities, the problems related to them are on the agenda on all forums concerning equal opportunity. However, we cannot expect a substantial improvement, until social mentality is radically changed.

The Hungarian peculiarity of the issue of people with disabilities is the tendency that public opinion finds the financial support more important than equal treatment of disabled and their integration in the world of labour. Social employment centres, which are part of the labour defence screen, work in all regional units, but they only offer a limited range of working opportunities. However, the elements encouraging employment of the disabled are more and more emphasised within active labour market programmes. Since the end of 2005, employers hiring people with disabilities can ask for a so-called accreditation, and this way they can get substantial state support.

Orientation 4: Make work pay – Make work attractive

Making work pay and attractive is at an early stage, compared to older EU members. Extra ambitions in this direction can be observed on two distant fields. One of them concerns those low-paid people who live in high-unemployment regions and live on social benefits and work in the black (G. Tóth -Pusztai, 2006). Here, the few and low-paid legal working opportunities do not offer an attractive alternative to benefits. However, positive initiatives are more and more frequent on this field. The components of the active labour market programmes which foster job-creation work in this direction are very important.

The other area is related to the best and average-paid groups of employees. For them the most prestigious companies compete, and one way of winning them is to offer an attractive workplace in its contents and financially as well. Their remuneration is often in close connection with the profitability of the company. The cafeteria system also concerns their prospects, and its expansion can be seen at more and more firms.

Orientation 5: Towards a balanced flexibility

The realisation of flexible working conditions in Hungary is rarely compatible with job security requirements. The balance between work and other fields of life can be considered as reality in four, not the least typical cases. Firstly, if the employer finds it important, for some reason, even at the expense of short term profitability. Fortunately, the number of these cases is increasing. Secondly, if the nature of work makes it possible, for example by telework and outwork. The third kind of examples comes from those multinational companies, whose homeland working culture requires flexibility and they have brought this mentality to Hungary. The fourth case refers to those state-owned companies and budget-institutions, where in accordance with the will of the state, they aspire to flexibility. In spite of this, the statistical data in connection with balanced flexibility are not too encouraging. According to the data of the Central Hungarian Statistical Office, in 2004, 3.3% of employees worked part-time, 2.4% worked with flexible working-hours and 1.4% via leasing agencies.

The analysis differentiating between fixed-term and indefinite-time contracts, which is often applied to the description of flexibility, cannot give a definite result in the private sphere, owing to Hungarian legal regulations. Cancelling 1 or 2-year-old indefinite-time contracts does not involve too much payment, whereas breaking fixed-term ones may result in serious losses. In the public sphere however, where in many cases there are special contract constructions, the termination of the indefinite-time contracts of mainly the executive officers means a considerable amount of compensation.

Orientation 6: Business creation and entrepreneurship

One of the fundamental objectives of the 100 Steps Programme is economic stimulation via business creation itself. The proposed case studies are going to illustrate the actuality of this objective and, on certain areas, its effects at work as well.

The number of loan- and capital-programmes available to small- and medium-size enterprises has increased. The entrepreneurial contribution and the entrepreneurial support resulting from it made the functioning of sole traders more secure. Within the framework of the Operative Programme of Economic Competitiveness, entrepreneurs are supported with free guidance concerning lending operations. Fund resources from the EU primarily target the SMS sector as well. New legislation ensures a discount in compensations to small- and medium-size enterprises if they hire unemployed people for increasing their staff. Entrepreneurs of underprivileged regions may get special support. (As for the measures assisting enterprises, see the Policies and programmes section.)

Feasibility of company case studies

Description of the feasibility of company case studies under each orientation (providing the relevant background and contextual information)

With regards to all six orientations, we can find several companies in Hungary, which show a good example of a certain orientation. Apart from the two European working conditions surveys also conducted in Hungary, there have been no others that study the orientations, moreover, none of these criteria have been in the focus of Hungarian analyses. Nevertheless, there are various voluntary surveys and competitions for the firms, where the criteria of evaluation are very similar to the principles of the Lisbon orientations. In addition to this, owing to the all seeing eye of the open-minded Hungarian press, there are hardly any firms with a good or especially bad example, about which there is no written information available.

The most important competitions judging working-conditions are organised by the Ministry of Employment and Labour and the Ministry of Youth, Family, Social Affairs and Equal Opportunities. Based on their tender, in every year since 2000, the two ministries commonly decide about the 'Family-friendly workplace' awards in the categories of large companies, medium-size enterprises, small businesses, budgetary institutions and non-profit organisations. In the competition, which was organised for the 7th time this year, 50 flexible and ambitious firms and institutions decided to take part. The two ministries try to call the attention of businesses to the importance of these issues with the help of this tender. The main objective is to introduce those measures of the management which were taken with the explicit purpose to help employees' coordination of work-time and family life. Among the applicants, many believe in taking care of their employees and in taking their needs into consideration. Among the participants, we can find small businesses with a few people, as well as large companies employing thousands, and among budgetary institutions, there are health- and child-care institutions, mayor's offices, police stations and administrative offices as well.

For more information: www.icsszem.hu (mainly in Hungarian)

Another tender can be mentioned in connection with the American-Hungarian Chamber, AmCham Hungary. The members of the chamber are enterprises, which are either in American ownership, or which are interested in membership because of their American trade contacts. Their number exceeds 600. AmCham has organised the so-called 'Healthy workplace' competition for its members since 2003. Winners of the three categories (big corporations, medium-size companies, and small businesses) are entitled to use the label 'Healthy workplace'. The competition is related to the public health programme of the National Health Promotion and Development Center and the Ministry of Health. Among the criteria, we can find the following: developing a healthy working environment, ensuring employment health services, work-security and the protection of environment, a healthy-living package (concerning smoking, healthy eating, and exercise), mental hygiene (with regards to alcohol- and drug abuse, resting hours, recreational events, conflict management and the improvement of managers' HR sensitivity), health check-ups and campaigns, and adult immunisation.

For more information: www.amcham.hu

The existence of workplaces in accordance with the Lisbon Orientations is not only the interest of the society. The objectives of employers are also supported more if their employees are balanced and motivated. On the basis of this recognition, Hewitt Human Consulting Ltd., the Hungarian subsidiary company of Hewitt Associates has been conducting its 'Best workplace' survey in Hungary since 2001. Until this year, they published their results in cooperation with Observer (Figyelő), a weekly economic magazine, but this year they are going to publish their results in World Economy Weekly magazine (HVG). Taking part in the tender under the patronage of the Ministry of Employment and Labour is voluntary, and by 2005 there was an opportunity for comparison in the CEE region (Austria, Czech Republic, Slovakia, Poland and Hungary). Every company with at least 2 years of operation and 50 employees can take part in the survey. Hewitt has different kinds of specialised questionnaires filled by the top management and by HR employees of the company, which are then evaluated and provide valuable information to the firms. There are two categories: small- and middle-size businesses and large companies. The five most successful applicants are entitled to use the 'Best workplace' label and get publicity as well. The central questions of the survey are the following. What are employees' expectations and how are they realised? Which are the employee-keeping factors in the firm? On which satisfaction-area can they intervene at the lowest cost? Is it worth introducing an allowance-package, do employees appreciate it, or only money matters to them? Are employees of the given company more satisfied than the staff of other ones with a similar profile? Can we recognise typical sectoral problems at the company? In the 2005 survey, about 34000 workers of 120 companies took part. The 2006 survey is under way right now.

For more information: <http://legjobbmunkahely.hu> (in Hungarian)

A similar survey to that of Hewitt was attempted by Gordio Consulting group, however the extent and content of their research falls behind Hewitt's. In spite of this, their data can also be used as a source of company behaviour analysis in relation to the Lisbon orientations.

For more information: www.gordio.hu (mainly in Hungarian)

Smaller-scale and local actions similar to the Family-friendly workplace are more and more frequent as well. The most significant one is the 'Welcoming workplace' tender in Budapest. This tender was first launched in 2005 by the Equal Opportunity Office within the EQUAL communal initiative and was supported by the European Social Fund and the Hungarian government. The purpose of the award is to express appreciation to employers with a good example, who are actively striving for the strengthening of equal opportunity in the workplace.

For more information: www.pestesely.hu (in Hungarian)

The most important papers of the printing press, which deal with company strategies are World Economy Weekly (HVG), Daily World Economy (Napi Világgazdaság) and Observer (Figyelő). In addition to these, I have also used personal contacts and called key people at the company.

Description of potential company case studies

- **Orientation 1. Fostering employability. (Training, occupational mobility, work organisation and skill management)**
 - *CIB Leasing Group*

Sector: financial services (Hungarian and foreign-currency financing, operative and financial leasing, credit, insurance).
Staff number: 550
Headquarters: Budapest. They have products meeting the demands of small- and middle-sized enterprises and they offer services on all areas of leasing.
The Budapest-based, 5-member financial group was founded in 2000, its 100% owner is CIB Bank Zrt. (whose parent company is the largest banking group of Italy). One year after their foundation, they already acquired a leading position in the Hungarian lease-market. They aim to strengthen a preserving company culture. The success is indicated by the fact that with an annual average of 45% growth of the staff in the past three years, fluctuation has remained very low. They consider inside training to be strategically important and they are willing to emphasise it even more in the future. They are going to make regular inside training more frequent as well. New employees take part in a short training immediately. After this, they organise an annual 5-6 trainings for skill and competence development to all associates. Top and medium managers are encouraged to take part in conferences in relation with their area. They continuously inform their employees on the objectives of the company and try to utilise their experience as much as possible. They try to adjust their benefit-packages to the needs of their employees. In the 2005 'Best workplace' survey of Hewitt and Figyelő, they were 5th in the category of large companies.
Website: www.cib.hu/cibsroup/lizingcsoport/lizingcsoport (in Hungarian).
 - *Eger Trust and District-heating Zrt.*

Sector: according to basic activity, district heating service, apart from this, accounting and asset-management at the local government of Eger.
Staff number: 120
Headquarters: Eger
The company is completely in the hands of the local government. The continuously improving firm plays a leading role in the life of Eger. In addition to heating service, they manage the assets of the council, moreover, they direct programs in the nearby Fair Lady-valley and manage three museums of the city. The company's heating-district is middle-sized, but considering modernity, it is among the best ones. As a result of their good work, the number of those abandoning district-heating declined and later, in 2004, the number of users started to grow. The firm does everything to boost employees' working abilities, because they know that this is the key to the success of the company. They expect quality performance and teamwork from the staff and in exchange, offer a steady workplace, a high-standard working environment and adequate background. Employees take part in courses, trainings and school education on a regular basis. Owing to this, an annual 4-5 employees acquire secondary, or tertiary qualification. Inside trainings are regular at the company as well, an employee takes part in about 200 hours of inside training on an annual average. This way they can ensure that the working culture of the company meets present-day demands. The credo of the firm is to keep the services, the quality, the environmental effects and the prices at a competitive level in accordance with the demands of both the council and the population. They try to offer employees competitive wages and other

allowances. They have created a working-atmosphere, where safe, healthy and comfortable working is a priority. Due to the flat company hierarchy, they cannot ensure prospects of promotion to all colleagues who deserve it. Therefore, the management primarily expresses appreciation to the staff with the possibility of independent work and financial remuneration. Thanks to the open management-style, workers can always find their superiors with their workplace, or private problems and put forward their suggestions at any time. The relationship works in the other direction as well, managers regularly inform their employees on current events and achievements. This way, employees are in the circulation of the company. Because of the kind of activities, only about 70% of staff can take the opportunity of flexible work, which means a core-time from 9 AM to 2:20 PM. Before and after this period, the employee is free to map out working hours. However, they always pay attention to personal problems and they manage them in a flexible way, even within working hours and in any position. They trust their employees and know that they would not take advantage of this opportunity and leave early from work. They can finish the tasks which were not completed due to an urgent case later. Since 2004, they have organised a 'company-day' on a regular basis, when the workers and their families are invited for entertaining programs. In the 2005 'Best workplace' survey of Hewitt and Figyelő, they were 1st in the category of medium-size companies, and in 2006, they can take pride in the 3rd place in the Central-European region.

Website: www.evartzrt.hu (in Hungarian).

- **Orientation 2. Increasing Labour Participation. (Women, Young people)**

- *Gfk Hungary Market Research Ltd.*

Sector: market research

Staff number: 86

Headquarters in Hungary: Budapest

The Nuremberg-based holding is present in several countries around the world. Gfk Hungary was founded in 1989, and since then, they have gained considerable experience in coordinating research in the Central and Eastern European region. 53% of their employees are women, whose job satisfaction is given special emphasis by the company. They pay great attention to maintaining relations with those nursing their children at home (on maternity grant) and their reintegration after return. The company makes it possible for mothers to work part- or full-time, or in projects, even while they are on maternity leave. The firm credits one year of labour relation in its register after every child, which has a significance when loyalty bonus and premiums are calculated.

As the company is too little to maintain a kindergarten, in order to solve suddenly emerging problems, employees are allowed to take their children to work. The company coffee room was equipped so that children can find activities as well: they can surf on the net, or watch television. If needed, they can even enter the offices. As a result of this, the building of Gfk is full of children in the summer. In addition to this, the spirit of the firm can be characterised by the fact that they show a good example in all the Lisbon orientations. After an agreement with their immediate leaders, employees can decide how they want to work their daily 8, or weekly 40 hours. If their extra-work activities require, they can decide to start work earlier, or finish later. It is also possible that they work more (10 hours) on certain days, and less on others. In addition to the average 8-hour worktime, there is an opportunity to work 6 hours, 7% of employees work this way. Everyone after a 3-month probation gets an indefinite contract, unless only a replacement is needed for a colleague on maternity leave. Training demands are approached in different ways as well, there are trainings of strategic importance assigned by the management, and trainings which are considered to be important by the employees or their immediate superiors, having emerged during feedbacks. Within a defined budget framework, they support participation graduate and post-graduate courses in connection with the given job. For this, the employee has to be a Gfk member for at least one year. Apart from this, they have self-

organised IT and English courses. The company finds it especially important that newcomers adapt to the company culture. Thus, they have established a mentor-system, the new colleague is familiarised with the demands and the structure of the firm by another employee who has been given this task. They won the award in the 'Family friendly workplace 2006' competition among medium-size companies.

Web: www.gfk.hu (mostly in Hungarian).

- *ALCOA-KÖFÉM Ltd.*

Sector: aluminium industry, production of semi-finished goods

Staff number: about 5500

Headquarters: Székesfehérvár

The company is the Hungarian subsidiary company of the well-established US-based ALCOA. ALCOA-KÖFÉM Ltd. (further Alcoa) is the 12th largest employer of Hungary.

In 1993, Alcoa acquired majority holding in the Székesfehérvár Light Metal Works, which was founded in 1941, and in 1996 it bought the remaining state-owned part as well.

Among their values, they strongly emphasise integrity, staff security, appreciation, health and the protection of working and dwelling environment. Improving the employability of their workers is one of their basic interests, since this is how they can improve the efficiency of the company. This is especially emphasised among the young, to whom they ensure apprenticeship opportunities during their studies. The university students who have a relationship with Alcoa can write their thesis at the company. They have co-operational contracts with numerous tertiary educational institutions. Young people already employed by the company are treated with special attention by the human resource management, in order to support their promotional opportunities. They ensure continuous training opportunities to all their employees. They spent much more on training than what they could write off from the vocational training contribution (see the section titled Recent legislation in relation to the Lisbon strategy).

In addition to outstanding working conditions and the competitive benefit-package, they try to inform their staff about the future of the company and involve them in important decisions.

Based on the values of the company, they ensure equal conditions to all employees, but at the same time, on certain areas, they try to pay more attention to female employees. They have special health check programmes for women and if the functioning of the given area allows it, they try to concentrate on those special issues which are more characteristic among women. For example, they support those returning from maternity leave with occasional worktime allowances.

They draw up company career plans and all new positions are advertised to their employees as well. According to feedbacks, successful employment at Alcoa is a good reference when searching for another job.

They are proud of the sound relations between the management, the trade unions, the shop-committee and the labour safety bodies. All parties consider the collective contract of vital importance and do their work according to its rules.

Besides the basic health examinations, they provide their workers with a lot of extra services. They organise regular cholesterol, osteoporosis, breast cancer and cardiology check-ups. With the help of recurring anti-smoking campaigns, a yearly 15-20 colleagues quit smoking. Those with mental problems can consult a specialist two times a week. This service is offered to family members as well. In order to develop a sense of community and to bring the firm and the family closer, they organise family days every year, when 6-7 thousand employees are entertained on a regular basis. Every worker gets a tree every year which they are to plant in their own environment. With this programme, Alcoa is one of the greatest tree-planters of Székesfehérvár. Through Alcoa Foundation they support institutions, where young people at a disadvantage, and disabled youngsters are taught. In order to establish a balance between work and private life they operate an educational and

entertainment club-house.

They won the award of the 'Family friendly workplace 2006' competition in the category of large companies. Furthermore, in both 2003 and 2004 they won the 'Healthy workplace' award of AmCham.

web: www.alcoa.com/hungary/en/home.asp

- **Orientation 3. Integration into the Labour market of People at Risk of Exclusion. (Long-term Unemployed, Early School Leavers, and People with disabilities.)**

- *Fekete and Nagy Trade and Service Partnership*

Sector: printing industry, preparatory works

Staff number: 29

Headquarters: Budapest

The company, which has been operating since last November, started out with 25 employees. All of them were people with disabilities and since then they have ensured work to four other fellows. Until October 2005, they all worked for the same typographic firm, however, it did not pay its employees for several months. Finally, the 25 of them had enough and they started a private enterprise. At their former workplace they did not get their wages, even though the owner drew the state support after employing people with disabilities. The firm in question has gone bankrupt and the former employees are afraid that they will not be able to get back their unpaid emoluments. They are afraid that, as they have heard of many similar cases, the owner of the company transferred the assets to the private property of a relative and they cannot get the salary they worked for even in the case of execution. To start out the new company, the manager raised a mortgage on his own flat. He knows and understands his colleagues. The employees have coffee together in the morning, those who are ill can always take the services of a physio and they pay special attention to one of the female colleagues, who suffers from depression. 'People would sooner give money than work, but we would like to prove ourselves. I often say that we would go out to advertise our clients on banners, if they gave us work.', says the manager. In spite of all difficulties, they have established firm partnerships with 8 large firms, therefore, at present, they have constant outwork, but unfortunately these are all low-paid. The small premises rented from the council, where their workshop is, were also renovated from credit raised by the manager of the company. The council, owing to the lack of money, gave neither assistance, nor a discount from the rent, though the council owns the building. They constantly take part in tenders for the disabled, but the procedures are slow. They also went to the National Association of Entrepreneurs to find out how they can obtain a credit, but so far, they have not managed. They are afraid of the new regulations to be enforced soon, in which the normative state support of people with disabilities is to be decreased. They would like to work, so they try to establish connections with many firms, however, they are often rejected. The manager thinks that they need a mediator who could help in finding work and tenders. Despite the fact that he works hard, he often has desperate moments because of the rejections. He has also written to the former Minister of Equal Opportunities who has put the letter onto her blog, the address of which is website: www.levaikatalin.hu (mostly in Hungarian).

- *Gambling Zrt.*

Sector: organising and executing gambling and betting

Staff number: over 1000 and, in addition, they have an extensive counter sale circle as well.

Headquarters: Budapest

The share of the state-owned company on the gambling-market is still around 50%. In the network of ticket-dealers they primarily hire people with disabilities. For ticket-sale (this does not mean working by terminals, where they take direct and immediate betting, but paper-format lottery-tickets), they exclusively hire people with disabilities. The driving

force behind all this is the personal conviction of the CEO that people with disabilities should be equal members of the society. According to the CEO, the subsidies available to them for hiring the disabled has gradually decreased in the past two years, and since 1 July, 2006, they get nothing. Although the subsidy still exists, after the form of employment they have, they cannot get anything. In spite of this, they still hire people with disabilities for ticket-sale, moreover, they continuously establish these kinds of relationships. They have made contact with all existing organisations helping the disabled, but recruitment through them is difficult. They are now trying to establish such cooperation with the Hungarian Railroad Company that lottery tickets would be sold at the railway stations. In this case, the dealers would be former railroad company employees with disabilities. The negotiations have been going on for months now.

Gambling Zrt. puts great emphasis on the inside training of their staff. Short-term trainings take place on the premises, whereas longer ones take place in their own training centre in Leányfalu. They have regular trainings for middle-level managers, one of the most important goals of these is team-building. Employees take part in various health-preserving programs. In addition to this, the future security of employees is ensured by a regular employer contribution to their voluntary pension funds. Nevertheless, working hours are fixed, due to the nature of the work, flexibility is not possible. The company's nationwide sponsoring activity is outstanding, they support sports, cultural, health-care and, in a smaller scale, educational activities based on the principle of regional differentiation. In 2005, they were 4th among large companies in the Hewitt-Figyelő 'Best Workplace' survey.

Website: www.szerencsejatek.hu (in Hungarian).

- **Orientation 4. Make Work Pay - Make Work More Attractive. (Financial participation, career, management)**

- *Polgár-Társak Ltd.*

Sector: stationery wholesale and retail

Staff number: 17

Headquarters: Törökszentmiklós

It is a small-size enterprise in Hungarian ownership, which was founded in 1991. The management considers it their basic interest that they create attractive working conditions, because this is how their efficiency objectives can be achieved. Individual initiatives are supported, they give the biggest possible independence to their employees. Management-approval is not obligatory even on the level of salespeople, only the flow of information is expected. The management is task-oriented, there is no fixed worktime. In case of private-life difficulties, workers can command their worktime freely, and if needed, another colleague can complete urgent tasks. Even the two colleagues in the exhibition room, with theoretically fixed working-hours are substituted if necessary, and they can divide the work between each other. At first, there was great demand for stationery in the vicinity of Törökszentmiklós, but recently this tendency has reversed. Therefore, in order to keep the company afloat, the manager and owner came up with a new initiative. Every distributor had to make an individual plan. The increase in performance compared to the plan is recorded on the common notice board and the best ones will get substantial remuneration. The firm's openness to novelties is well indicated by the fact that as soon as it was financially feasible, they made their own website. This is not yet characteristic of Hungarian enterprises operating in small towns with fewer than 20 people. Their experiences with the website are very good, it has noticeably helped them boost their business activities. The company organises several family programs every year. In the summer, they offer working opportunities to workers' children who are over 16, and this way they can ensure their employees' holiday as well. The performance of the young is personally assessed by the manager, who appreciates the value of decent work. In 2003, they got a 'Family friendly workplace' certificate in the category of small businesses and

in 2004, they won the main prize in the same category.
website: www.polgar-tarsak.hu (in Hungarian)

- *National Bank of Hungary (MNB)*

Sector: finance. The central bank of the Republic of Hungary. It works in a Plc-form, the owner of the shares is the state.

Staff number: about 800

Headquarters: Budapest

The bank, owing to its special functions, exerts a significant influence on social and economic life. In the past few years, the efficiency of the company has noticeably improved, working procedures have become simpler and smoother. This is also testified by the Hewitt-Figyelő survey of 2005, in which they got involved precisely in order to assess the objective situation. MNB serves as a great example to show how to improve performance-orientedness and efficiency by boosting the intrinsic motivation of employees. Besides keeping to the rules of the organisation, the independence of the staff has increased and they try to tackle emerging problems involving all specialists concerned. The human resource management has become more sensitive to individual problems of the employees, and they pay special attention to individual career-building. Employees are stimulated to work efficiently according to a well-defined set of regulations morally and financially as well. MNB gives its workers moral remuneration as well, so they annually elect the 'Man of the year' and the 'Award for the National Bank of Hungary' is given to those who have contributed to improve the reputation of the bank with their outstanding professional work. Employees having worked for a long time get anniversary bonus. Salary is differentiated even with similar jobs, on the basis of success in the completed task and the extent of meeting performance-demands. They make conscious career-planning, they prepare employees who are suitable for a management position for their future tasks. This also holds for those, who are not prospective managers, but show high professional commitment on a priority area, to whom they give moral and financial remuneration. They always try to fill vacant management positions from inside and only turn to the outside labour market if they do not have the expert with the appropriate competence and it is not possible to train a colleague in this direction. In accordance with the special character of the company, the strategy of the National Bank of Hungary is defined by the top management, but as much as possible, they make room for individual initiatives. For example, elaborating their HR strategy has two directions, on this area, they earnestly count on ideas from the employees' side. Their inside training activity concentrates on the extension of workers' professional competence, as well as their skill-development, the direction of training is defined by the requirements of successful work. They have a contract with the Budapest-based Central European University, where they send their workers to regular further training. Apart from this, they often organise inside courses, and after the foreign trip of an associate, they have discussions, when the colleague familiarises the others with newly acquired knowledge. In case the necessary special knowledge cannot be acquired in the country, they organise foreign study trips and courses. The basic labour contract form at the National Bank of Hungary is indefinite.

If a mother-to-be goes on temporary leave, they hire an associate with a fixed time contract. Parents nursing their children at home are informed on training opportunities at the bank and inside job application opportunities. If a young mother stays at home for a longer period and her position ceases within that time, they help her in finding occupational prospects within and outside the bank with counselling and training. The ratio of part-time workers is negligible, but in certain positions, outwork is possible. In this case, they also make indefinite contracts, but the outwork status of the job is fixed. The plan of work consists of a 6-hour core, and the remaining part can be decided in a flexible way by the employee. The recreation of workers is promoted with sporting opportunities as well. Within the framework of their cafeteria-system, employees can enjoy different kinds of

benefits, they can go on holiday, buy public transport season tickets, learn according to their ambitions, choose health policies, buy clothes, subscribe to the internet, etc. In order to preserve a good workplace atmosphere, they organise numerous community programs involving the staff and their families.

Website: www.mnb.hu (mostly in Hungarian).

- **Orientation 5. Towards Balanced Flexibility. (Working time, employment contract)**

- *dm Drogerie Markt Trade and Servicing Ltd.*

Sector: cosmetics retail trade

Staff number: more than 1600 in shops around the country

Headquarters: Törökbálint

The German owners of the business have continuously expanded their store-chain since 1993, and today they have more than 180 shops throughout the country. At Drogerie Markt, employees are considered to be the most important factor in increasing profits, so they shape their HR policy accordingly. Their slogan, 'For I feel I am important here.' also reflects this. They try to achieve employee-commitment by offering varied tasks and opportunities for development. They know that employees are only able to do really efficient work, if they can do their family duties as well. About 85 of their workers work part-time. It has occurred among employees that due to nursing a family member, studies, or long-term illness, they dropped out of work for months. In these cases, the chance to return was offered, maybe with the slight modification that the workers did not go back to the shop they had previously worked in. They have established their training system in the spirit of staff appreciation and employees with a family can also easily join. They have elaborated four kinds of inside training which makes an opportunity to develop professional skills and competence, and to discuss good ideas. During these trainings colleagues working in different shops and offices can meet and mutually develop each other's working skills. By this, the possibility of occupational mobility within the company is created as well. Besides trainings in groups, they lay special emphasis on individual career-planning and the selection of areas to be developed. To this they create the opportunity at the annual discussions. Their recruitment strategy is the following: they offer vacant positions to their own workers as well. To the management-level, only those are accepted, who have several years of dm experience, so here only dm colleagues are considered. New employees are recruited with the help of internet advertisements and they also have an active relationship with employment centres. This way they help in the placement of the unemployed as well. In addition to these, dm offers opportunities to the young generation as well, an element of this is that the students of two Budapest vocational schools spend their interim and summer practice in their shops. Moreover, they maintain an intensive relationship with other vocational institutions and they support such institutions from their vocational contribution. They find the improvement of the situation of women on the labour market important, so since 1 January, 2006, they have been working together with the Jól - Lét (Well-Being) public foundation, which is the first Hungarian mother-friendly registry office.

In 2005, they won money in the Human Resource Development Programme to their extensive training programme. They won a certificate in the 'Family friendly workplace 2006' competition in the category of large businesses.

Website: www.dm-drogeriemarkt.hu (mainly in Hungarian)

- *József Pata Machine Industry Ltd.*

Sector: steel-profile manufacturing

Staff number: 58

Headquarters: Fajsz (Bács-Kiskun county)

The Hungarian-owned enterprise was founded by József Pata, the manager of the company in 1994. Their work is quality-centred, that is how they can be the suppliers to Opel and

Suzuki. Fajsz is a small village near Kalocsa, where the only prospect of employment was the local cooperative farm. This farm has been kept afloat, but it can give work to fewer and fewer people every year. The enterprise of Mr. Pata therefore, means a lifebuoy to the locals. Nevertheless, the Ltd. is not primarily mentioned as a company following the Lisbon orientations due to enterprise-creation. Despite the fact that under these circumstances, the manager could have created severe working conditions, it is a basic concern that employees work under balanced circumstances, where tasks outside of work are also taken into consideration. From his own example, having started as a physical worker, rising to an ever-higher position at the cooperative, and getting to a position to found his own enterprise after continuous learning, he knows exactly that it is worth thinking in the long term. Therefore, he makes sure that working conditions are good at the company, where 60% of employees are women. He personally guarantees that those workers will be taken back, who stay at home for family or health reasons. He arranges that associates having fallen out are replaced by their colleagues. He has also ensured that the difficulties of physical work are made easier by an appropriate conveyor belt and scientifically designed swivel-chairs. If a colleague wants to, they can work part time. The plan of work is also adjusted to the starting time of kindergartens and schools. Health check-ups and aptitude examinations are also emphasised at the company. They organise factory visits for local primary school students several times a year. The demonstration of their achievements is also important, because they like to utilise their own resources and increase the number of employees from the local labour-supply. By the development of the company they would have the opportunity to take jobs demanding more specialised knowledge, but for this, they would need qualified workers. Unfortunately it is difficult to convince local youngsters to choose a profession which demands more studying, but which is marketable. Many of them apply for education, after which they will eventually be unemployed, even though they could expect prospective promotion at the firm. The performance of physical workers in production is assessed annually, talented and ambitious employees get promoted and if they demand, their training opportunities are ensured as well. The current office and quality-control manager and the manager of the progressive plant have also gone through this process. They annually organise inside training which consists of three components: acquiring quality assurance principles, refreshing knowledge on labour safety and fire protection, and teaching new professional procedures. From their vocational contribution, they support the Budapest University of Technology and Economics and a vocational school in Pécs. The Technical University undertook giving professional assistance to them, recently they have calibrated a steel-profile to be produced soon. The life of the village and the company have been closely tied. The manager of the company gives the company bus and lorry in all cases when a trip is organised to the children or when there is a need to transport something. It is no surprise that the manager has recently been awarded honorary citizenship in the village. They won a 'Family friendly workplace 2006' certificate in the category of medium-size companies.

- **Orientation 6. Business Creation and Entrepreneurship**

- *Kürt Zrt.*

Sector: IT, data protection, data saving

Staff number: 52

Headquarters: Budapest

The activity of the company is in close connection with the name of its founder and coowner, Dr. Sándor Kürti. By now, the successful scientist and businessman has achieved that his firm has a subsidiary company in Austria and in Germany as well. In addition to professional competence, the success of the company lies behind the fact that after the collapse of the socialist regime, they managed to find their ways in a market-economy. Kürt offers high value-added products and services, in connection with basic products independent of their origin and manufacturer. Their database-saving activity is well-known

throughout the world. Their only human resource is intellectual capital. They think that preserving their high-level performance, their quick reaction to changes and their advantageous market position is possible only if the operation of their firm is based on the coordination of individual and company objectives. They are in constant competition, but they continuously try to analyse the market and their profession as well. They know that they have to be the first on this area. For this, they need team-players in the best mental state and stamina, with a positive attitude, and in order to achieve this, they do their best. Almost all of their employees have a degree. One basic job-requirement is the advanced-level command of English, and knowing another language is an advantage, too. Apart from the introductory course, they also offer professional training to the staff and they organise skill-development programmes as well. Within the framework of their training scheme, employees spend an annual minimum of 10 days at professional, skill-development, team-building, or management trainings. They operate a special coaching and mentor system which focuses on the recruitment of future managers. Employees can choose from different work-time schemes, which helps them adjust to family obligations. All workers have to take a 10-day holiday in one block once a year. For the rewarding of colleagues, they have introduced two prizes: The 'Strongest chain-link' and the 'Kürt Ferry', which are decided by employee-voting. Their organisation culture can be characterised by a familiar atmosphere, there is no real hierarchical separation within the company. They ensure swimming pool and sauna usage, in their basement equipped as a sports room, employees can play table tennis and table football. They pay for football and aerobic opportunities as well, they go to bowling and squash parties together and in summers they go canoeing and sailing together. In these programs family members also take part. The firm has a wide range of sponsoring activities, they support the education of the disadvantaged, mainly Roma children and in 2005, they established a research centre in co-operation with the University of Veszprém.

Only the most recent awards to the company and not only to the founder are 'Healthy workplace' AmCham best practice award in 2004 and 2005, Hewitt-Figyelő 'Best workplace' 5th place in the category of medium firms in 2005, 'Family friendly workplace' award in the category of medium firms in 2005, 'Innovation award' in 2003 (this latter one is an award by the Ministry of Informatics and Communications), 'Business ethics award in 2002' (the award of Budapest Club).

Website: www.kurt.hu

- *Jüllich Glas Holding Zrt.*

Sector: glass manufacturing and wholesale

Headquarters: Székesfehérvár

Number of employees: 220

The company belongs to those few ones in Hungarian ownership, which were established before the fall of communism, furthermore, as a private enterprise. They started operating in a garage in 1984, and after 1990, there was a huge demand for their products. As a result of this, they started to grow and extend their range of products to almost all kinds of building-glassware. After continuous growth and the establishment of premises, they bought out the Italian interest of another firm as well. They have established several logistic centres. Later on, the companies, including Alba Glas Ltd., merged and after the fusion, Jüllich Glas Holding Zrt. was founded in 2005. Today they manufacture and distribute their products in eight Hungarian cities (including Budapest). Their motto is 'Everything that is glass!' This concept has resulted in a uniquely broad range of products in glass industry. With their current technology, they can meet any possible demand in manufacturing building-glassware with their own production capacity. They expand abroad as well, but on the basis of the firm's strategy, they try to realise it by long-term cooperations with other companies, instead of establishing foreign premises. Owing to continuous technological developments, they appear on the labour market with a demand

for highly qualified human resources. Among their workers, the ratio of those living in backward regions with a high unemployment rate is significant. At the company, employees are involved in concrete problem-solving during the different quality, production and logistics team-meetings. By this, they try to achieve that workers adopt company objectives. They find it important to follow developments in glass industry persistently, which result in the continuous improvement of production efficiency. The expansion of the company also facilitates the boost of production activity at other firms, since, owing to the growing opportunities, they outsource more and more tasks. Such activities are e.g. transportation and the building-in of glass elements. In addition, as one of the first firms to have moved to Sóstó Industrial Park, Jülich Glas Holding Zrt. has played an important role in developing and expanding the Park. They organise several trainings inside their premises every year, and they support employees in their related outside studies. The company is a sponsor of Albacomp Basketball Club and ORKA Synchronised Swimming Club and they annually devote a considerable amount of money to support various foundations and schools. In 2005, the owner of the Holding, Adam Jülich won the 'Entrepreneur of the year' award of the National Association of Entrepreneurs and Employers.

website: www.julichglas.hu

Conclusions on the feasibility of company case studies

The examples of four prominent companies in relation to each orientation show that positive experience in the world of work is worth mentioning, since these initiatives are gaining more and more ground. It would be useful to make a more detailed analysis and field research at the companies with a good example, because this would point at emerging opportunities and difficulties in connection with the realisation of the orientations.

On studying the positive examples in Hungary, we must not forget that we are talking about an economic framework, which began to transform only 15 years ago. As Sándor Kürti, the founder of the world-famous Kürt Zrt., who was dismissed from his rural workplace before the political transformations, points out, 'In 1989 the miracle, or horror, I don't know how to say it, so the regime change happened. The miracle was that the new economic law was enforced and private enterprises could be founded legally, and the horror was that our large corporations went bankrupt.' (Hajdók - Horváth, 2006)

Since 1989, numerous enterprises have been founded, and many foreign companies have come to Hungary, and all of them have contributed to our economic growth. Almost all the firms with a good example can be categorised into three groups.

- Small enterprises in Hungarian ownership, whose proprietors are willing to realise the Lisbon Orientations due to their personal attitude and their carefully-analysed long term profit-interests.
- Multinational companies expanding to Hungary, who bring their homeland working culture and naturally, they find the realisation of the Lisbon Orientations important. Paradoxically, sometimes these mostly large corporations represent the interests of Hungarian employees better than Hungarian firms. (The contradiction can also be found in the fact that there are multinational companies in Hungary which have been famous for ignoring the interests of their employers.)
- Budgetary institutions and state-owned companies. Among them, those, whose history began long before the fall of communism, but somehow managed to preserve their operability, and those which were established in the market-economy system, both have to adapt to the new circumstances. In accordance with the will of the state, in many cases, it is these institutions that strive the most for the realisation of the Lisbon Orientations.

Whichever positive example we take, the complete separation of the orientations is an impossible task. If a company is sensitive to training its employees, it will make time for it as well. Such firms are open to flexible working hours and flexible forms of employment, too. On the other hand, owners who have done a lot for business creation will naturally try to make work pay and make work attractive, etc. Therefore, during the case studies, instead of concentrating on one orientation, a complex approach can be more efficient.

Bibliography

- Berde, É., Unemployment of the newly graduated. Review of Statistics. (in Hungarian) 2005a.
- Berde É., Career prospects of pre-graduates and expectable short-term tendencies based on labour statistical data, OFA, Budapest, (in Hungarian), 2005b
- Black Book, www.liganet.hut/2006/fk.htm
- G. Tóth I. - Pusztai L., The other side of shortage, *Heti Világgazdaság*, (in Hungarian), April 6, 2006.
- Hajdók D. - Horváth B., To make Hungary rich, (in Hungarian), www.kurt.hu/adatmentes/sajtóban/47
- Hungarian Government, 100 steps program, www.magyarország.hu
- Koltay J. - Neumann L., Introduction. Hungarian labour relations from a close-up and from a distance. In *Labour market mirror*, editors: K. Fazekas and J. Koltay, Institute of Economics Hungarian Academy of Science; National Employment Fund, 2005
- Köllő J., The composition of non-employment. Hungary, BWP 2005/2. Institute of Economics, Hungarian Academy of Science, 2005
- Köllő, J., Roma population in Hungary. Documentation and database. (in Hungarian) BUKSZ, 1998.
- National Employment Service information pages. Downloaded on 11 April, 2006, www.afsz.hu