“IS THERE A PLACE FOR ME?”
EMPLOYMENT OF PEOPLE WITH DISABILITIES AS PART OF CSR STRATEGY

Sara CSILLAG
Budapest Business School
Buzogány u. 10-12, Budapest 1149, Hungary
Csillag.sara@uni-bge.hu

Zsuzsanna GYŐRI
KÖVET Association for Sustainable Economies
Budapest Business School
Buzogány u. 10-12, Budapest 1149, Hungary
zsugyori@yahoo.com

Abstract. Equal opportunity, inclusion, and workforce diversity are emerging topics in the field of Corporate Social Responsibility. Here we would like to suggest that there are two different types of arguments to support the employment of people with disabilities – the moral obligation and the business case. We focus on the employment situation of a special group, people with disabilities (PWDs). Based on two Hungarian case studies (Szerencsejatek ZRt., Grundfos Manufacturing Hungary) we show how the employment of people with disabilities could be an immanent and strategic part of company CSR activity. The main success factors identified are: (1) long-term commitment to the owners and the management, (2) the development of related employment practices (e.g. development of suitable work design), (3) cultivation of inclusive culture (4) communication: courage to address disability as a social problem and willingness to deconstruct mental barriers.

Keywords: employment of people with disabilities; CSR; inclusive culture.

Introduction

Equal opportunity, inclusion, and workforce diversity are emerging issues in the field of Corporate Social Responsibility (CSR). Guidelines, like the Enterprise 2020 of EU (2011), the strategy of smart, sustainable and inclusive growth, UN Global Compact, ISO 26000, GRI or national documents, such as the CSR Action Plan of the Hungarian Government (2014) on discrimination-free employment, also indicate that these topics are relevant.

We believe that there are two different types of arguments to highlight the importance of these questions. First, providing equal opportunities and ensuring inclusion could be considered a moral obligation to an inclusive and diverse society. It is part of the major religions’ economic message as well: respect and caring for others, helping those in need, solidarity, and justice (Gyori, 2012). Second, the business case of these issues is also relevant: literature suggests that only companies with diverse corporate cultures can utilize the opportunities of today’s’ diverse society and create long-term economic value (Markel & Barclay, 2009). Organizations that are more inclusive can build attractive employee brands and create a loyal, motivated workforce. As a win-win
situation, they can serve moral responsibilities while achieving economic efficiency and other advantages (Zychlewicz, 2014).

However, we believe that the literature of CSR does not pay (enough) attention to these themes. Statistical data prove that disadvantaged groups are still under- or unemployed, despite the business case and the legal, moral obligations for equal treatment and anti-discrimination (Markel & Barclay, 2009). Excluding those disadvantaged groups from the value-creation could be considered as waste on an individual, company, national and global level as well (Dyda, 2008).

In our paper, we focus on the employment situation of a special group, people with disabilities (PWDs) and based on two case studies we would like to show how the employment of PWDs could be a strategic part of company CSR strategy.

**Employment situation of PWDs as a complex global/local social problem**

According to the definition of the UN Convention (2006), ‘persons with disabilities include those who have long-term physical, mental, intellectual or sensory impairments which in interaction with various barriers may hinder their full and effective participation in society on an equal basis with others’ (UN Convention 2006: 4). Based on this definition, 767,000 people (7.6% of the population) were officially classified as being disabled in Hungary (Farkas, 2011). Nearly 310,000 of these individuals were between 18-59 years of age (i.e. were of so-called ‘active age’), but only 18.1% of them were actually active on the labor market (KSH, 2012). In comparison, in the EU the proportion of people living with disabilities is greater (15% of the population) but 38% of disabled people aged 16-54 are employed, and earn income (European Disability Forum, 2010).

In terms of societal impact, Hungary’s notoriously high level of unemployment of PWDs means serious budgetary problems (Sharle, 2011; Kurucz & Kemény, 2016). Being permanently inactive and excluded from the labor market has serious negative effects on individuals themselves – hence the need, both from an individual and a societal perspective, to provide greater opportunities and workplaces for the disabled, and to help reintegrate them into society. Besides the open labor market and the chance of ‘normal’ employment, there are various functioning models of employment for people with serious health problems. The forms vary according to their method of financing and their level of integration (Kenzie, 2009). Although there are examples of good practice of integration (e.g. ProAbility, 2016), the existence of real and mentally constructed barriers to employing PWDs is still evident (Hidegh & Csillag, 2013). Recognizing this problem, the Hungarian government has been seeking to reduce possible economic barriers to their employment recently. In particular, a compulsory quota is mandated for employers of at least 5% of the employee population being composed of PWDs. Legislation introduced in 2010 increased the “rehabilitation contribution” dramatically (by 350%), which has to be paid if a company does not achieve its quota (Hidegh & Csillag, 2014). Due to this change in legislation, there was a noticeable increase in the level of interest of companies with respect to problems of disability. New partnerships evolved among HR departments and NGOs specializing in disability. Disability became one of the central issues in CSR initiatives at least in some of the big Hungarian corporations.
Still, the situation has not changed significantly in recent years. Research still identifies serious barriers to employment and the low employment rate of PWDs. From the employer’s side, the barriers can be categorized as being ‘actual’ and ‘mental’ (Banfalvy, 2005). Mental barriers of employment are (1) having a general lack of information about PWDs; (2) being prejudiced based on the opinion that PWDs perform poorly; (3) believing that the employment of PWDs requires significant investment; (4) having a belief that PWDs more often go on sick leave. Thus, it could be of vital importance to show sustainable best practices of successful corporations and encourage companies to identify and deconstruct the mental and actual barriers.

Business case or moral obligations?

To elaborate on our arguments concerning the importance of equal opportunities, inclusion and workforce diversity as a CSR issue, we will first review the legal and moral obligations according to the Hungarian law and the main CSR guidelines, and then show the potential sources for the business case.

Guidelines

According to the Enterprise 2020 Manifesto ‘... the driving force behind economic growth, business – from small to multinational enterprises – is uniquely positioned to help establish a more equitable, inclusive and sustainable society’ (CSR Europe 2011). The EC stresses that ‘companies can become socially responsible by following the law; integrating social, environmental, ethical, consumer, and human rights concerns into their business strategy and operations’ (EC 2011). For further definitions, the European Commission adduces some guidelines and principles that the Commission’s CSR strategy is built upon. Table 1 shows the PWD-related parts of the most important international guidelines (UN Global Compact, 2000, ISO 26000, 2010, Global Reporting Initiative G4, 2013).

<table>
<thead>
<tr>
<th>UN Global Compact principles</th>
<th>ISO 26000 issues</th>
<th>GRI G4 (indicators in the Specific Standard Disclosures)</th>
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</table>
| Human Rights (Principle 1 and 2) | Human rights:  
- Due diligence,  
- Human rights risk situations,  
- Avoidance of complicity,  
- Grievance resolution,  
- Discrimination and vulnerable groups,  
- Civil and political rights,  
- Economic, social and cultural rights,  
- Fundamental principles and rights at work | Human rights:  
- G4-HR3: Total number of incidents of discrimination and corrective taken actions |
| Labour (Principle 6) | Labor practices:  
- Employment and employment relationships,  
- Conditions of work and social protection,  
- Social dialog,  
- Health and safety at work,  
- Human development in the workplace | Labor practices and decent work:  
- G4-LA1: Total number and rates of new employee hires and employee turnover,  
- G4-LA2: Benefits provided to full-time employees that are not provided to temporary or part-time employees,  
- G4-LA3: Return to work and retention rates after parental leave, |
National governments’ legal regulations also deal with the situation of PWDs and in 2014, Hungarian government launched its CSR Action Plan where non-discriminative employment is one of the three priorities.

As it is in evidence modern democratic societies have expectations toward business concerning PWDs and other disadvantaged groups. Companies the most powerful actors of the modern economy should deal with diversity, solidarity, and justice. Practically gender, ethnicity, cultural, and age diversity is the very nature of global society and economy.

**Arguments for business case**

In a diverse society workplace, diversity and inclusion should be natural or at least a moral obligation. It seems that companies need legal regulations (such as quotas) and other motivating factors (like bottom-line impacts) for taking responsibility for the inclusion of PWDs. That is why some research looks for the economic advantages companies can gain with inclusion and responsible behavior (Gyori & Ocsai, 2014). However, this line of thought can lead to the instrumental usage of CSR and to the ‘ethics is good business’ or ‘ethics pays’ idea.

Diversity and inclusion have many potential impacts on companies’ behavior and performance. A more diverse organization can be more flexible by adapting more effectively to changes. Diversity can be a source of gaining new ideas and continuous innovation, improves proactivity. Multicultural teams can reach higher effectiveness in creative tasks because of the different viewpoints skills, abilities, and experiences. Divergence could be an asset to performance. Altogether literature suggests that profit could increase as a result of enhancing diversity and inclusion, because: (1) loyalty, sensibility, and motivation of employees increases; (2) consumers will be more loyal; (3) NGOs, media, and other stakeholders will not attack company; (4) risk of legal aggravation decreases; (5) the reputation, image of company improves; (6) company can achieve governmental subsidies as governments and international organizations treat CSR and non-discrimination more seriously (Cohen & Warwick, 2006; Doane, 2005; Frynas, 2005; Vogel, 2006; Kotler & Lee, 2005; Paine, 2000; Gyori, 2012).

Sen (1993) suggests that the ‘business case’ or ‘ethics pays’ is one of the reasons for behaving responsibly. However, that is not the only reason. Responsible business activities mean a competitive edge in the short and long run too, only if ethicality is
based on a real commitment and not on this expectation. The commitment sustains moral values even in the case of temporary decreasing profitability. Competitive edge is measurable or more specifically perceptible if we measure performance in more dimensions. We have to take into account practical, social and environmental effects besides financial ones (Gyori, 2012).

**Previous research in the field, justifying research scope and method**

Kuznetsova (2012) suggests that there is limited practical research studying how companies address the inclusion of PWDs in the workforce in their CSR strategies. However, in the last couple of years, there are some studies focusing on the field.

Some studies focus on the business or moral case for integration. Demuijnick (2009) in his normative paper argues that it is a moral obligation for companies, firstly, to accept their moral responsibility with respect to non-discrimination, and secondly, to address the issue with a full-fledged program for diversity. Based on a case study he suggests that companies should establish responsibility for diversity results, as firm ethical commitment and support from top management make diversity programs effective. Hart (2009) also suggests that in the case of diversity and inclusion, the business case needs to be supplemented by strong, proactive legislation, and worker involvement. Markel and Barcley (2009) concluded that although strategic incentives and imperatives are important, the problem of under-employment of PWDs needs to be addressed as a social imperative. Żychlewicz (2012) argues for the financial case - her main conclusion is that only strategic CSR activities connected to PWDs influence the level of profits and supports the business case. Similarly, Werner (2009) – analyzing five CSR actions focusing on excluded target groups, among them PWDs – suggests that CSR programs which are part of the core operations of the corporations ('built-in') can create a real business case.

Bennett (2010) interprets the result of a pilot employment project of 16 PWDs in the UK. She highlights the advantageous cultural impact of the pilot project. Houtenville and Kalargyrou (2012) survey 320 companies of the hospitality industry - their results indicate that the policies that would encourage more hiring of PWDs are employer tax credits and incentives, flexible work schedules, and awareness training. Bengioshu and Balta (2011) – based on a Delhi study conducted with 100 representatives of the hospitality industry - suggest that employing PWDs would improve service quality, efficiency and reduce costs. To build on these findings, we examine two case studies in Hungary.

**Case study methodology and practical details of preparing the case studies**

We used case study methodology to examine the topic from different viewpoints (Baxter-Jack, 2008). We wanted to analyses the present state of anti-discrimination and inclusion strategy, policy and practice of two different companies, as well as the process by which we are in this present situation. One of the companies, Grundfos is the subsidiary of a Danish enterprise, the other one, Szerencsjatek has a state monopoly to distribute lottery games and sports bets in Hungary. They work in different sectors, for different markets and have significant differences in
organizational structure, aims, and mission. For the two case studies, we used the following structure:
- CSR strategies and activities of the companies;
- History and present state of employment of PWDs;
- Aims and motivation of hiring PWDs, its connection to CSR activities of the companies;
- Main factors of success and potential problems of this responsible business activity.

We prepared the case studies in the spring of 2016, based on corporate websites, corporate documents (codes of conduct, sustainability reports) and getting information from interviews with different leaders responsible for CSR and HR.

Case studies

Szerencsejatek Zrt\(^1\) is the largest gaming service provider in Hungary. It has exclusive rights to distribute lottery games, sports bets and prize draw tickets throughout the entire country. The company is state-owned and was established in 1991. The number of employees was 1,542 in 2014. Szerencsejatek is the member of two larger international organizations of game organizers: European State Lotteries and Toto Association, and World Lottery Association.

**CSR strategies and main CSR activities of the company**

Szerencsejatek won the recognition of Transparency International in 2015 for open and sincere communication of their values and principles on responsible gaming, employment, procurement, anti-corruption, and risk assessment. From 2010, they have a separate CSR department, in 2014, they established an independent organization for dealing with sponsorship and public donation. Because of its core business and competence, responsible gaming is the main part of its CSR activity.

**History and present state of employment of PWDs**

Szerencsejatek's scratch card sale network, employing only people with disabilities was established in 2003. During more than a decade, the network has grown over 180 people on 100 different places (particularly in food stores, health care institutions, and markets). Since 2014, they have hired deaf and hard of hearing persons as well (besides physically disabled). On December 3, 2015 (International Day of Persons with Disabilities) they signed a cooperation agreement with FESZT (Hungarian Association for Persons with Disabilities) and ONCE (Spanish National Organization for the Blind) for enabling the employment of PWDs, for sensitization of society on the topic and for sharing national and international best practices.

**Aims and motivation of hiring PWDs**

The original aim of Szerencsejatek was to give a work opportunity to people who could not get a job for years because of their health situation and have difficulties in social integration. Szerencsejatek would like the serve as a best practice for other companies

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\(^1\) Based on company website: www.szerencsejatek.hu and annual reports.
as well and raise society’s awareness: “The degree they can integrate employees with disabilities into their day-to-day lives is an important index of successful societies. Where integration into the job market is successfully accomplished, people with disabilities can also more effectively integrate into society. When the charity network was launched, our objective was the creation of open market type employment. In this framework, we employed colleagues with disabilities in the charity scratch card salesperson positions who were sufficiently able-bodied to be capable of working successfully in trade.” (Imre Rosner – Head of Charity Department)

Szerencsejatek makes connections between employing PWDs and other CSR activities, such as donations from income to good causes. The subject of inclusiveness and anti-discrimination is among the main ethical principles and valid for all business partners and consumers as well. In 2013, 2014 and in 2015 they also won the “Disabled-friendly Workplace” recognition.

**Main factors of success and problems**

On an individual level, these PWDs can leave their homes and do meaningful work. It means an opportunity for social integration and a functional lifestyle.

The scratch card sales staff at Szerencsejatek is treated as partners and their suggestions, opinions are taken into account. Every colleague can join the corporate sports days and Christmas end-year party. As an employee with a disability said: “It is very good that we were invited to the party. It is not usual. It is surprising that the company and other employees treat us as human beings.”

PWDs are very pleased and motivated for complying with ethical and labor norms, for retaining their job and for supporting each other. On training courses PWDs and other employees meet, gain connections and opportunities for communication, it is the part of the sensitization program for all employees. They would like society to accept the scratch card sale network and the employment of PWDs in general as well, so they organize and participate in events and conferences and use media as an instrument for social education. For the players, they made a leaflet and plan to introduce a new sensitization scratch card, which will teach about the importance of social integration and acceptance of differences.

Grundfos is a global leader in advanced pump solutions and a trendsetter in water technology. Headquartered in Bjerringbro, Denmark, the firm annually produces more than 16 million pumps. It was established in 1945 by Poul Due Jensen and the ownership is still connected to the family (86.6% owned by Jensen Foundation, 11.3% by the Jensen family and 2.1% by employees). Currently, Grundfos Group is present in 56 countries and has 19 thousand employees. It has production facilities in Denmark, China, and Hungary. The Grundfos Manufacturing Hungary (GMH) Ltd. is one of the biggest subsidiaries of Grundfos: altogether four production facilities in two cities (Székesfehérvár and Tatabánya), employing 2020 people.
**CSR strategies and main CSR activities of the company**

Grundfos has an impressive record with CSR. In 1994, when Karen Jespersen, the Danish minister of social affairs started the campaign 'it concern us all' to mobilize private companies in order to address unemployment and social cohesion, she was inspired by the inclusive practice and CSR activities of Grundfos (Habish et al. 2005). Grundfos has been considered as the ‘typical example of the sound old Danish company than in practice had shown how it contributed to the solving of the societal problem while serving its own agenda’ (May et al. 2007:92). Today in their sustainability statement they concentrate their efforts on six focus areas: Sustainable Product Solutions, People Competences, Environmental Footprint, Workplace, Community and Responsible Business Conduct (Sustainability Report 2015). The group prepared their first sustainability report in 2001, they have been supporting the UN Global Compact since 2002. In 1989 Grundfos was the first pump manufacturer in the world to be certified according to the ISO 9001. Grundfos received various international and national CSR rewards, among others for Best Inclusive Workplace Practice Award (ILO), European EFQM Award, CO2 Reduction Award and CSR Communication Award (both in Denmark), for being a Disability Friendly Workplace and Best Workplace (both in Hungary).

**History and present state of employment of PWDS**

It has always been a part of Grundfos CSR to take care of people with reduced work capabilities or PWDs. In 2015, 2.2% of the worldwide workforce was employed on special terms (the global goal is at least 3%). The rehab unit in Hungary has been operating since 2001 to provide employment for PWDs. During the first ten years 2-3% were employed on special terms, but in 2011, after an increase of the amount of ‘rehabilitation contribution’, the figure went up to 5%. Currently, GMH has 120 PWDs employees, using a unique ‘rehabilitation through employment’ practice. In addition to the workers in the flexible workshops, employees with physical, intellectual, and mental health disabilities hold a wide range of jobs at the company from production to research to administration. Grundfos sees the employment of PWDS as a complex social issue: in 2008, Grundfos published a guide, “Get a grip on practice” which offers practical guidance to companies, politicians and local authorities on how to promote an inclusive labor force.

**Aims and motivation of hiring PWDs**

In Hungary, the initial motivation of hiring PWDs was to follow the idea of the founder of the company. The first production facility is Tatabánya built in 2001 was very accessible from every aspect (unique in Hungary at that time), and Grundfos took the issue so seriously that it relocated its special Danish rehabilitation line to the Hungarian factory.

In 2009 the management of GMH decided to hire a social worker responsible for special job design for the daily support of PWDs - and all employees who have health problems. The 120 PWDs have a special performance evaluation system, have different compensation packages and the HRM pays special attention to the development of career opportunities. Grundfos core values relate directly to PWDs: Being flexible (e.g. adjusting the distribution of labor to the ability of the PWDs); always paying attention;
measuring, analyzing and developing processes; and innovating (e.g. finding new possible white-collar jobs for ambitious PWDS). Being part of an international trendsetter company is another important motivation as well as receiving various awards for their inclusive practice. Nowadays being an inclusive workplace is an immanent part of GMH’s brand: no employee question the presence of the rehab unit’s or the place of the PWDs in the company.

Main factors of success and problems

The main success factors are the strong commitment of owners and top management and the commitment of GMH management. Another success factor is the continuous development of inclusive corporate culture (all managers throughout the company take a training course on the company’s diversity values that includes discussions on PWDs) and flexibility, systematic analysis and innovation practice in the daily processes. The general view is that costs and benefits break even.

There are some difficulties identified. However inclusive the culture is, there are sometimes prejudices on the shop floor. In busy times line managers will give a lower priority to these issues. Sometimes it is hard to match the needs of the employees on special terms and the needs of the company, such as high qualifications and work pace – GMH sometimes has recruitment difficulties in finding PWDs. It is also difficult to find the balance between fairness and flexibility to PWDs and ensuring justice among employees and PWDs employees.

Table 2. Summary of findings from the two case studies

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<thead>
<tr>
<th></th>
<th>Szerencsejatek</th>
<th>Grundfos</th>
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</thead>
<tbody>
<tr>
<td>CSR strategies and main CSR activities of the company</td>
<td>Responsible gaming, Responsible employment, Social engagement, Sponsorship, Environmental responsibility</td>
<td>Sustainable Product Solutions, People Competences, Environmental Footprint, Workplace, Community, Responsible Business Conduct</td>
</tr>
<tr>
<td>History and present state of employment of PWDS</td>
<td>since 2003 Today 180 people (11,7%) Various awards for best practice</td>
<td>Grundfos since 1968 GMH since 2001 Today 116 people (5%) Special HR systems Various awards for best practice</td>
</tr>
<tr>
<td>Aims and motivation of hiring PWDs</td>
<td>Successful labor market and society integration of PWDs</td>
<td>To follow the idea of the owner International standards Quota in Hungary Became immanent part of the corporate culture</td>
</tr>
<tr>
<td>Main factors of success</td>
<td>Long-term commitment, Real work integration, Communication, Social education</td>
<td>The commitment of the Grundfos owners and management continuous development of inclusive corporate culture and HR practices flexibility, systematic analysis and innovation accept a break even</td>
</tr>
<tr>
<td>Potential problems and pitfalls</td>
<td>Low awareness, prejudice and ignorance of society</td>
<td>Prejudice Busy production periods Recruitment difficulties fairness and flexibility</td>
</tr>
</tbody>
</table>
Discussion and interpretations

Based on the two case studies we would like to suggest some learning points. Firstly, to highlight the importance of international best practices: in both cases, the international practice (in the case of Szerencsejatek it is the practice of ONCE, in the case of GMH it is Grundfos) motivated the Hungarian company to start employing PWDs, and then the Hungarian companies adapted and developed the practice. To disseminate best practices and encourage a kind of ‘flexible adaptation’ could be one of the important factors.

Secondly, paying attention to international CSR reporting standards, such as ISO, Global Compact, and GRI, could be another important point. On one hand, the systematic measurement and evaluation, as well as the reflective practice connected to international standards, could be good ways to develop the practice of employment of PWDs. In GMH they say that is important to measure and to see the balance of inclusive employment and decide afterward. On the other hand, applying and receiving international and national awards (connected to CSR and being an inclusive workplace) could not only create a stronger corporate brand (and produce economic value), but it is also important for employees as well as it suggests that they are creating significant value by working together every day as equal partners.

Thirdly, the employment of PWDs is a complex HRM process, which requires continuous adjustment and long-term commitment. The key point of the adjustment is to find the best recruitment channels (Szerencsejatek), to develop special HRM systems -not only work design, but performance evaluation, compensation, and career management (GMH). This requires strategic planning, development, a daily presence (e.g. the social worker in GMH) and flexibility. An inclusive culture should be cultivated and continuously encouraged (with events, training, communication).

Fourthly, the personal motivation and commitment of the owners, as well as of the top management are vital, but the role of HRM is also important as well as the commitment of shop floor managers. Furthermore, courage and innovation are important factors. In Hungary, where mental barriers and preconceptions of disability are still clearly present in society, employing PWDs and putting them on the shop floor or the shop requires courage. Both companies indicate a broader desire to change the thinking of business partners and society.

Conclusion

Based on our research both moral and business case is a consequence, precondition of successful employment of PWDs. Leaders should make the initial decision based on commitment, and everyone with a stake should make their financial, professional, personal and other necessary investments throughout the whole process. With careful planning and implementation employing PWDs can be profitable, or at least break even in both business and moral terms. The main success factors identified are: (1) long-term commitment to the owners and the management, (2) the development of related employment practices (e.g. development of suitable work design), (3) cultivation of inclusive culture (4) communication: courage to address disability as a social problem and willingness to deconstruct mental barriers.
Employing PWDs is a real chance for taking CSR seriously within and out of the organization. These companies have a great social mission as they serve as good examples for others as well. The successful job integration of PWDs can help them to integrate into society.

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