



CENTRAL-EASTERN
EUROPEAN SOCIAL
PARTNERS FOR AN
INCLUSIVE LABOUR
MARKET

CEE-ILM





■ INTRODUCTION

Economic growth is a fundamental prerequisite for the creation of more and better jobs, as stated in the Europe 2020 strategy. However, currently the European Union is essentially in stagnation, a condition far from conducive for the creation of new workplaces. Therefore, it is recommended to draw the attention of decision makers to labour market issues. Within the framework of the autonomous European social dialogue, in March 2010 European social partners concluded an agreement on the creation of an inclusive labour market whereby, in the form of bilateral collaboration and at the Member State level, they will develop further solutions for the labour-market reintegration of those left behind or permanently unemployed. The agreement also provides an appropriate policy framework to enable employers and employees to develop a better awareness of these labour-market issues. However, it is important to point out that an inclusive labour market may only be developed within the bounds stipulated by the legislative environment. To realise their mutual goals, employers and

employees also have to find effective ways of cooperation within that framework.

The appropriate integration of specific groups into the labour market points beyond the issues of employment and economic growth. It is also a key factor in the long-term maintenance of European social welfare systems and achievements, the pension scheme in particular. In the last decade, the inclusive labour market concept has become vitally important for the European Union and non-Union European countries alike, with particular regard to demographic trends and ageing communities. In almost all European countries a large number of studies have been published analysing the difficult challenges facing young working-age men and women. Simultaneously, older generations nearing retirement, workers with disabilities, female workers or people with inappropriate skills or inadequate education face countless difficulties on the European labour market that need to be resolved without delay.

The European Commission-funded project, named “Social Partners for Inclusive Labour Markets”, brings together employer organizations and trade unions from four countries – Austria, Croatia, Slovenia and Hungary. The publication, presenting inclusive European labour market trends, special events and best practices, aims to expand the knowledge of social partners, political decision makers and business leaders and help to identify the most vulnerable groups on the labour market.

It is important to point out that the issue of inclusive labour market should not be approached primarily from a social perspective. If they are to grow and develop, all businesses and the entire European Union have an eminent interest in widening employment opportunities and looking at disadvantaged members of their society as potential employees.





■ AGING WORKERS

With steadily increasing retirement ages the situation of aging workers raises increasingly urgent social issues across Europe. Social partners and government decision-makers both need to see that the integration of this group into the labour market is a common interest. Replacing highly experienced employees with less qualified workers and lower wage demands may solve some companies' short-term liquidity problems, while in the long run companies may risk losing their intellectual capital, one of their most valuable assets.

In the next few years both social partners and decision-makers should continue working on the practical implementation of the concept of life-long learning at the highest level and for the highest number of employees in the European Union, including members of the older generation. In a rapidly changing global economic environment every social group needs to acquire more and more skills. It is essential that aging workers also have the opportunity to expand their knowledge and, when reasonable and required by labour market conditions, also attend training and retraining programs.

■ YOUTH IN THE LABOUR MARKET

Perhaps young job-seekers have been the most affected by the economic crisis. In the absence of economic growth, businesses, often struggling to survive, do not hire new workers and find it increasingly difficult to keep their existing employees. As a result, it is becoming apparent that in most European countries the rate of youth unemployment may be twice as high as that of the entire working-age population.

Ignoring the problem may cause serious troubles as even a few years of unemployment – or working outside one's profession - can lead to a serious setback in young people's long-term labour market prospects. The severity of the problem will become all the more apparent when, with the return of a more favorable macroeconomic climate, European businesses will need to hire a large number of workers again. As Europe's future growth may depend on the labour market integration of young people, social partners and decision-makers need to give top priority to this issue.

Of course, maintaining a competitive educational system adapted to labour-market needs is essential in integrating young people into the labour market.

This would require a proper reform of higher education and the adjustment of vocational training to labour market needs. Students need to adopt the idea of life-long learning at a young age; it is apparent that without this skill people under the age of 30 will not be able to meet the anticipated challenges and changes of the labour market and pursue a successful career in the long term. Educational and retraining institutions at different levels should also be restructured and improved accordingly.

■ WOMEN'S SITUATION IN THE LABOUR MARKET

Interesting trends can be observed in respect to the employment of women. On the one hand, unemployment figures do not show any difference between male and female workers, hovering around 11% for both groups. On the other hand, the latter group lags behind with regard to employment level and inactivity. If the European economy intends to maintain its competitiveness in the long term, raising the rate of employment for women is essential. Of all the groups under review, this segment may contribute the most to overall employment within the EU.



In each and every country, the status of women in the European labour market highly depends on the country's culture and centuries-old traditions. None of the other examined social groups show such great variances between employment levels.

Establishing a balance between work and private life may be the key to the appropriate integration of women into the labour market. Demographic problems need to be mentioned as well; the fact that female employees cannot harmonize family life with standard, eight-hour workdays is one of the reasons behind population decrease in Europe. State decision makers and social partners have to create and support forms of employment and establish child care facilities that enable women to work and have children at the same time. We should examine opportunities for extending either part-time, remote or other atypical forms of employment, as Europe cannot afford to do without a wide segment of the female population.

■ DISABLED PEOPLE

Entering the world of labour is clearly a challenge for those with changed ability to work. Studies show that on average they find it four times as difficult to find



a job as the general working-age population. To this day, a number of European Union member states operate job-search programs designed specifically for people with disabilities. However, studies show that only active labour market programs are truly effective and passive assistance does not lead to real solutions. At the same time, in response to the crisis, in the last few years unsustainable forms of aid have given way to active programs working with this group, a development that may give cause for optimism. Moreover, changing social attitudes, i.e., instilling the notion that people with changed ability to work are equally valuable members of society, is possibly more important than legal regulations.

The European Union provides the same rights to the disabled as to its healthy citizens. However, special attention must be paid to the employment opportunities of these groups in the labour market. In short, it is indispensable that, even at the member state level, both social partners and government decision-makers take steps to insure that the disabled have the same opportunities in the labour market as those without disabilities. Regarding the social attitudes referred to above, promoting the best practices of companies that took active steps in this area could be highly effective.

■ LOW-SKILLED WORKERS

The issue of a poorly-trained workforce with inadequate skills is perhaps the biggest source of tension on the European labour market. In most cases, the employment problems of disadvantaged labour-market groups are closely related to their inappropriate work skills.

Regarding these social groups, educational and vocational training initiated and coordinated by companies can be a solution. These programs of course have to be implemented in coordination with the central education system of the country. The permanent integration of this group into the labour market requires high occupational qualifications. The long term competitiveness of Europe is unthinkable without a highly qualified and competitive workforce. The elimination of the mismatch between the current output of the educational system and business needs is one of the key challenges facing labour policy not only in East- Central-Europe, but in the European Union as well.

■ BEST PRACTICES

• Diversity at IBM Austria

IBM is one of the world's leading globally integrated enterprises. The diversity of cultures, people, thoughts and ideas are imperative to the success in delivering innovative, superior technologies to the marketplace. IBMers of all backgrounds bring talent, dedication and focus to their work, and rely on IBM to provide a workplace environment where they can make full use of their talent and express their personality.

By having a diverse workforce, IBM is in a position to serve internally the changing needs of the market and clients more effectively. This helps to better under-

stand client needs and provide tailor-made solutions. Diversity represents a competitive advantage as teams built on diverse skills can deliver the best results to clients.

To provide equal opportunity and affirmative action for applicants and employees, IBM launched programs in the following areas:

- Female employment
- People with Disabilities (PwD)
- Lesbian-Gay-Bisexual-Transgender (LGBT)
- Cultural diversity
- Cross - generational diversity
- Work/Life Integration





Business activities such as hiring, training, compensation, promotions, transfers, terminations and IBM-sponsored social and recreational activities are conducted without discrimination based on race, colour, genetics, religion, gender, gender identity or expression, sexual orientation, national origin, disability, or age.

The employees of IBM represent a talented and diverse workforce. Achieving the full potential of this diversity is a business priority, fundamental to preserving the company's competitive edge and success.

IBM Austria has defined the above mentioned six main diversity areas. For each area a member of management is appointed as "ambassador" (so called "Executive sponsor") who, through the issues raised at the management level, bears personal responsibility for the development and implementation of related projects.

- **Women at IBM Austria**

Regarding gender diversity, IBM Austria shows a current proportion of app. 30 % of female employees; app. 20 % of man-

agement positions are filled by women. The program named "Girls for IT" enables students to improve their IT skills with the help of IBM. The training program "Taking the Stage" is created specially for female employees to improve their presentation skills. Attendance of international conferences and cross company mentoring are also part of the strategy concerning gender issues of IBM Austria. Where many companies proudly date their affirmative action programs to the 1970s, IBM has been creating meaningful roles for female employees since the beginning of the 20th century.

- **People with Disabilities (PwD) at IBM**

IBM has a history of taking positive, progressive action on behalf of PwD - whether the PwD are employees, clients or business partners. These actions have had a ripple effect - helping others to grasp the value of inclusion worldwide. IBM envi-

sions a world where everyone, regardless of ability or disability, can live and work freely within their environment. Since hiring its first employee with a disability in 1914, IBM has always focused on the talents a person brings to the job. While





disabled people are people with equal rights, they are not always treated that way. A recent European survey shows there is a serious lack of understanding of what disability means and how many people it affects. People with disabilities are just demanding what we all want: equal opportunities and access to all societal resources. And of course, access to employment is crucial. The employment of people with disabilities presents many opportunities for employers like IBM, not only to access a valuable employee resource, but also to rethink and revitalize the way a company operates internally and on the marketplace. Reaching out to people with disabilities is not only the right thing to do to increase diversity - it also broadens business opportunities. It sparks innovation and helps companies like IBM to have a better understanding of customers and creating an inclusive work environment for all our employees. Above all, people must be valued for their abilities and talents.

• SIEMENS - Austria

Austrian-based Siemens has been training technical and trade professionals for decades now, and it is very proud of its 7700 students. At the moment they educate 500 young students in 27 different professional fields. In the seventies, typically male-dominated jobs were opened up to women as well and, as a result, the current proportion of female professionals and specialists is very high. Supporting women in finding a job also in the field of technology is considered evident by the company. The belief that women's interest in science and technology needs to be keenly supported is a long-term company commitment. This is also reflected in the actions of the company; since 2007 women have the possibility to undergo - in their second occupational career - a specific and very successful intensive technical vocational training programme within the company. In addition to providing opportunities, it pays special attention to synchronize teaching schedules with kindergarten opening hours, a great help for mothers with

young children. Furthermore, since 1996 Siemens has cooperated with an employment office and a social affairs office to provide integrated training to people hard of hearing. The company aims to provide these young people with an opportunity to pursue a career of their own in an integrated form, i.e., work alongside other employees. Since the start of the program 100 young students with special needs completed the training. Experience shows that 80 percent of the graduates found a job with social employment.

• Zvijezda – Croatia

The Croatian company's program, launched in 2006, enables physically and mentally disabled persons to find employment at the company. The program started with six persons six years ago and today they are all employed as unskilled workers. They have relatively simple tasks: assembling cardboard boxes, doing deliveries or cleaning. It is important that they all have a full-time supervisor who controls their perfor-





mance and who they can turn to for help. Experience has shown that with time this is less and less required as, following the training period, workers with disabilities essentially work independently. At the moment the company employs sixteen persons with different kinds of handicap and in every case their job description has been adapted individually to suit their abilities. Among other things, the program also contributes to raising

public awareness of the problem and creates opportunities for similar solutions. Experience shows that disabled workers are well integrated and accepted by their co-workers and also their motivation is increasing as they enjoy being a useful part of their work environment.

• **Mercator IP – Slovenia**
Mercator IP (sheltered workshop) hopes to offer the disabled new opportunities

of integration by offering new jobs and market opportunities. Employees have the possibility to test their knowledge in different areas, from operational through managerial tasks. According to June 2012 data, the company employed 397 workers, of whom 201 (51.5%) are disabled employees. Before employment each disabled person is prepared by a team of professionals and completes a training course tailored to his/her competences and skills. This helps adaptation to the working environment and working methods. By continuous ergonomic improvements the company seeks to provide a healthier and safer work environment for all of their employees. The professional team is also responsible for identifying work processes and suitable positions within the organisation where disabled workers can





be successfully integrated. All along, the company pays special attention to the whole integration process. Regular dialogue with managers is one of the key sources of satisfaction and achievement for all workers. Annual consultations with every employee contribute to employee development and help the company to fine-tune plans for training and education. A professional team and external experts carry out the assessment of employees' work potentials. Participation in the programs entitles the company to employ the services of a doctor spe-

cialised in occupational medicine, who, based on accurate data, makes decisions concerning the assignments of disabled persons, the level of their involvement in the work process and the working environment. Similarly, the individual's special abilities relevant to the task at hand can be identified, i.e., different abilities and performance criteria are matched in practice. The goal of the professional team is to offer better vocational orientation for workers and thus have a direct impact on productivity, prevent occupational diseases and, more generally,

preserve employees' health and working ability. To change public attitudes on the employment of people with disabilities, it is essential to recognize their needs and, more importantly, their contributions making life easier for themselves, their families and, eventually, for the company as well.

● Gostilna dela - Slovenia

Restaurant work is one of the results of the Factory Work – Entry to the World of Labour project, which was carried out by the Centerkontura and partners: VZ Višnja Gora (Juvenile Facility) and Centre DSP (Society for Development of Social Programmes) from 2010 until the end of October 2011. The aim of the project was to tackle the problem of social exclusion and employment of vulnerable target groups of young people aged between 17 and 25. At the end of October 2011 the project was completed but Restaurant Work continues its social mission under the auspices of the owner of the project, i.e. Centerkontura. Within the framework of the educational workshop young people between 17 and 25 years of age without any vocational qualification are offered a comprehensive package

of vocational training in the restaurant industry. The goal is to train disadvantaged young people for work in the restaurant business and help them to acquire work habits, new skills and experience needed for gainful work. As a result, they are better prepared for a more successful entry into the world of labour. Vocational training is implemented in four stages. It starts with the preparation and selection of candidates for the training program. This is followed by actual education and training, the consolidation of knowledge and, finally, an opportunity to acquire a nationally recognised certificate of vocational qualification. During the six months of vocational training, the candidates are trained for a specific job position as part of regular employment. The training consists of practical assignments and lectures on the fundamentals of the restaurant business, communication with customers and the essentials of management.



● *Velux – Hungary*

The VELUX Group creates better living environments with daylight and fresh air through the roof. VELUX product programme contains a wide range of roof windows and skylights, along with solutions for flat roofs. In addition, the VELUX Group offers many types of decoration and sun screening, roller shutters, installation products, products for remote control and thermal solar collectors for installation in roofs. VELUX Technology also supplies original VELUX components to our partners working in the field of roof window suncreening. The VELUX Group, which has manufacturing companies in 11 countries and sales companies in just under 40 countries, is one of the strongest brands in the global building materials sector and its products are sold in most parts of the world. The VELUX Group has about 10,000 employees.

The VELUX Group has a Graduate Programme (VELUX LUMOS) where young graduates from several countries are granted the opportunity to work in the VELUX Group for 18 months at three different locations. The programme includes three training modules which ensure that the graduates receive a comprehensive

understanding of the VELUX Group and its business model, as well as specific skills within project management, lean and communication. For selected young candidates the VELUX LUMOS programme offers career opportunities in the field of technology, production marketing and sales. The participants, who have already obtained theoretical knowledge through their higher education, are given the opportunity to gain concentrated hands-on experience, and subsequently many of them obtain an attractive position within the VELUX Group.

■ CONCLUSION

The concept of the inclusive labour market has become more and more important in the last decade for the European Union with special regard to the demographic changes and aging societies. There are several positive examples of the implementation of this concept both on the part of national enterprises and at European level.

The basic objective of this publication is to raise the awareness to those efforts that were put into practice by companies to tackle the challenges and to make steps towards a more inclusive labour market.



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CEA
Croatian Employers' Association



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