

TAILOR MADE PROGRAMMES FOR INDIVIDUALS WHO NEED SUPPORT – EMPLOYEES WITH REDUCED WORK CAPACITY

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Concerned SDGs: 1, 4, 8, 10

Company name: Grundfos Hungary Manufacturing Ltd (Grundfos Magyarország Gyártó Kft.)

Industry: Manufacturing



CHALLENGE



Inclusion of people with reduced work capacity in the labour market is problematic - In OECD countries, the employment rate of people with disabilities (PWD) is much lower (44%) than that of non-disabled people (75%)³. In the EU28 the highest inactivity rates for persons with disabilities are in Hungary, Bulgaria, Romania and Ireland, and the lowest in Iceland, Switzerland and Sweden⁴.



The proportion and social problems of disabled people is significant - According to World Health Organization (WHO), about 15% of the world's population, over a billion people experience disability and the rate of disability is increasing due to population ageing and increases in chronic health conditions. The number of adults among disabled people is between 110 and 190 million globally¹. According to several studies, there is a correlation between disability and poverty².



Discrimination of people with reduced work capacity - PWD face many forms of discrimination: they are less or not educated at all, have difficulties in accessing various facilities, suffer from mental and psychological challenges, they are more vulnerable and become victims more frequently. Despite the fact that 170 countries have ratified the Convention on the Rights of Persons with Disabilities (CRPD)⁵, there is still room for improvement. Employment and development of people with reduced work capacity. Developing a corporate culture that integrates people with reduced work capacity.

¹<https://www.who.int/features/factfiles/disability/en/>

²Banks-KuperPolack, 2017. <https://doi.org/10.1371/journal.pone.0189996>

³<https://www.who.int/features/factfiles/disability/en/>

⁴<https://ec.europa.eu/eurostat/statistics-explained/pdfscache/34420.pdf>

⁵<https://www.un.org/development/desa/disabilities/convention-on-the-rights-of-persons-with-disabilities.html>

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PRACTICE

Grundfos is a Danish-based multinational group, the world's leading pump manufacturer, with more than 83 companies in 56 countries and 19,000 employees⁶. The Grundfos Manufacturing Hungary (GMH) Ltd. founded in 1999 is one of the biggest subsidiaries of Grundfos: altogether four production facilities in two cities, employing 2020 people.

Value: Focused on People: Employment of PWD - One of Grundfos values is Focused on People which means for them »⁷*We develop the individual. Everyone in Grundfos has passion and potential. Everyone has the power to influence. Everyone must feel respected and valued.* « It has always been a part of Grundfos CSR to take care of people with reduced work capabilities. In 1968, Grundfos was the first Danish company to set up a special accessible workshop for PWD. *“We have always been an inclusive organisation, trying to get as many different people into Grundfos as possible. diversity drives better results. it encourages innovation and improves decision-making processes.”* Mads Nipper, CEO⁸

Global standards for all Grundfos companies - Grundfos has a framework of policies, guidelines to prolong an employee's active career:
Policy for retaining employees at risk of exclusion from the labour market due to ill health;
Proactively support employees if health issues emerge and help them prolong their active careers and contribution to the business;
Grundfos has set a global target to ensure that by 2020, 3% of its workforce comprises people who are considered to have reduced work capacity;
From 2019, Grundfos keeps track on a monthly basis of how many people in this category are employed. It also assesses how the production plants are doing in this respect.⁹

⁶<https://www.grundfos.com/about-us/Our%20company.html>

⁷<https://www.grundfos.com/about-us/Our%20company/our-values-and-purpose.html>

⁸Grundfos: Sustainability Report 2018. p. 35 <https://www.grundfos.com/content/dam/Global%20Site/About%20us/Reports/Grundfos-sustainability-report-2018.pdf>

⁹Grundfos: Sustainability Report 2018. <https://www.grundfos.com/content/dam/Global%20Site/About%20us/Reports/Grundfos-sustainability-report-2018.pdf>

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Recruitment and selection - The company has no problems accessing the PWD target group. Thanks to their good reputation, potential employees with disabilities continuously apply for open positions. The selection is carried out by the production team leader and a factory social worker. The recruitment process has the following steps: 1) Assessing the applicant's numerical abilities via a written test 2) interview 3) assessment day. In addition to the above, there are several local civil organizations and alternative labour market service providers (e.g. Szt. Cirill and Method, Napra-Forgó, Hungarian Charity Service of the Order of Malta, 4M) that the company cooperates with¹⁰.

Organization of work – The factories operate using the kanban system which means that PWD get cards from the production line containing all the information about what raw materials they need to use for the production – these raw materials need to be prepared by the group for the different production lines. At the beginning of the shift, the supervisor distributes the tasks among the members of the group, taking into account the skills and needs of the individual employees (e.g. variety) and the employee's current physical condition and abilities (and, of course, while doing this still pursuing equality and justice).

Performance evaluation, incentives and compensation - The performance evaluation and incentive system of PWD employees differ from other production employees. Their salary is a fixed amount, not dependent on individual performance, and is not subject to the competency system applicable to others. In addition, PWD who work part-time (4 hours) receive the full 8-hour cafeteria benefits and they are provided with a free transit to the workplace. If due to a temporary health problem, a worker is temporarily employed in the rehabilitation group, there is no change in their salary or to their position in the incentive scheme - this demonstrates the flexibility in the company. (In order for someone to work permanently in the department, they must pass the complex qualification process and obtain the required qualification.)

Workforce development - Grundfos core values relate directly to PWD: Being flexible (e.g. adjusting the distribution of labour to the ability of the PWD); always paying attention; measuring, analysing and developing processes; and innovating (e.g. finding new possible white-collar jobs for ambitious PWD). "We would like to involve them in other types of work, showing them how well they can perform and their important role in our company" (Anita, HR director).

¹⁰Csillag, S. (2016). „A fenntarthatóság a génjeinkben van” Megváltozott munkaképességű munkavállalók foglalkoztatása a Grundfosnál, www.proability.hu



PRACTICE

Required resources for implementation

Barrier-free buildings - The first production facility in Tatabánya was built in 2001 and is totally accessible from every side (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.

Social worker employment - In 2009, the management of GMH decided to hire a social worker¹¹ responsible for special job design for the daily support of PWD. The 120 PWD have a special performance evaluation system, have different compensation packages and the HRM pays special attention to the development of career opportunities. The social worker deals not only with the workers in the rehabilitation group and with the processes related to them but also with the health problems, illness and possible rehabilitation process of other workers. The social worker also coordinates the related CSR activities, which includes relationship management with civilians and other partners - making the relationship between PWD employment and CSR activity even tighter.

Work Obstacles

Work organization problems - It is possible that people with disabilities are not able to complete their cards by the end of their shift - this can cause tension, because on one hand, the next shift has to complete these tasks, and on the other hand it can cause disruptions in the production line. "The whole thing can pile up and sometimes it happens that employees come from the production lines (sometimes even PWD employees from another shift) because they hit the roof, in this case, you have to relieve tension... (Katalin, social worker)

Special leadership skills - The key people of PWD employment are the team leaders who manage the work of the rehabilitation team. Apart from their organizing and coordinating skills, they need a high degree of empathy, excellent communication skills and determination to communicate with PWD employees and other participants in production. "It is very difficult for the team leader to find the balance" (Katalin, social worker).

¹¹112007-2008: HEFOP Grundfos és Híd Információs és Támogató Szolgálat, 2010-2011: TÁMOP 2.4.2 Konzensus a rehabilitációs modell alkalmazásában - állami, civil és piaci szervezet együttműködése a fogyatékos emberek foglalkoztatásának elősegítésében, 2013-2015: TÁMOP 5.3.8 „Aktívan a munkáért!”

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BENEFITS

Awards- Grundfos received various international and national CSR rewards, among others for Best Inclusive Workplace Practice Award (ILO), European EFQM Award, CO2 Reduction Award, CSR Communication Award (in Denmark); and for being a Disability Friendly Workplace (in 2011, 2013 and 2015, in Hungary).

Local community initiatives - Grundfos takes responsibility for making the surrounding region liveable by working with local stakeholders. The rehabilitation unit in Hungary has been operating since 2001 to provide employment for PWD. During the first ten years 2-3% were employed on special terms, but in 2011, after an increase in the amount of 'rehabilitation contribution'¹², the figure went up to more than 5%. Currently GMH has 120 PWD 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 administration. Grundfos sees the employment of PWD 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 labour force.



¹²In Hungary a compulsory quota is mandated for employers with at least 5% of the employees being PWD. 'Rehabilitation contribution' has to be paid if a company does not achieve its quota (Hidegh, A. L. & Csillag, S. (2014). "Nothing Is Perfect?" The Cooperation of an NGO and a Multinational Company in an HRD Project on Disability. *Human Resource Management* 6(95). 125-144.