

## Case study 1. Pé-es Ltd.

### **The company's history, activities and business situation**

Originally a business management consulting firm, their main activity was helping clients to write tenders. In the past two years their chief occupation was formulating bids for clients who sought state support under the national development plan named after István Széchenyi. The managing director being a telecommunications expert, the company has done service also in that field. The company has developed a proprietary technique for building intranet networks, and intends to sell it as widely as possible.

The managing director took an interest in flexible working because of his telecommunications background. When flexible working began to spread in Hungary, he wondered if his firm could also employ flexible workers. A member of the management of the firm, who used to work for a local civil society centre, knew a disability pensioner and a person with reduced working abilities. That is why he knew that many people with reduced working abilities would gladly enter employment, but jobs for them are few and far between.

Two years ago the job centre of Szolnok County invited tenders for state support to companies that create jobs for people with reduced working abilities. Pé-es was among the tenderers and the subsidy it received enabled it to employ eight such persons. In concrete terms, the subsidy was a non-repayable loan to cover half the price of computers to be bought for people who would be employed as flexible workers. To become eligible to the loan, Pé-es had to pledge to employ those people for at least three years in full-time jobs.

The eight persons concerned have since then been doing data recording, which in effect means that they key in texts of novels, poetry and drama. At the initiative of the job centre and with additional financial support, Pé-es also employed a man and two visually challenged women. At about the same time when Pé-es launched its data recording line, a second person purchased co-ownership in the company, who is now in charge of liaising with the 11 flexible workers, defining and checking on their assignments. The company's main client in that field is Arkanum Ltd. Arkanum is a regular subcontractor for the National Széchenyi Library. As that library is underfinanced, it can only issue orders on an on and off basis.

### **The company's personnel policy**

Pé-es is a small firm, its staff consisting of the two co-owners and the 11 people with reduced working abilities. The first eight flexible workers attended a brief training course after joining the firm. In fact, the "work" they were assigned in the first three months was nothing more than exercise, but they were not informed about that. Before joining Pé-es, those members of the staff who are visually handicapped learned the use of computers at a course arranged specifically for the visually handicapped by ÉRÁK<sup>1</sup> of Miskolc. The company is not considering to hire additional staff because there is hardly enough work to keep the present personnel busy. Neither is it planned to redesign the company's organizational set-up. Right from the beginning, instructing the flexible workers has been the task of only one of the two co-owners of the firm.

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<sup>1</sup> ÉRÁK: North-Hungarian Regional Centre for Manpower Development and Retraining

### **The motivation behind opting for flexible working**

The managing director and the lady who is the co-owner of the company chose data recording for two reasons: it was an attractive option to bid for state support for working with flexible workers, and both managers felt it rewarding to offer jobs for people with reduced working abilities. Financially speaking, that business line is not making a profit because orders come in irregularly, even though each of the 11 flexible workers are full-time employees.

### **Selection, hiring and training of flexible workers**

When the Szolnok County job centre's invitation for bids for support to companies that employ people with reduced working abilities was made public, there were some 50 people with reduced working abilities on the job centre's register who had attended a course in computer use. The company's staff was selected from them. Some of the members of that group of 50 people refused Pé-es' offer because they had reservations about doing distance work, others considered launching ventures of their own. More than half of the group however was ready to consider Pé-es' job offer. For them working from their homes seemed to be a promising perspective either because of their state of health or family commitments (for instance, a small child to be looked after) Selection on the basis of the curriculum vitae preceded the job interviews. Command of a foreign language and skills in addition to computer literacy were considered an advantage.

Before joining the firm, the workers had to attend a preparatory course. Pé-es allotted about six months for the workers to become entirely prepared for the job. In the course of that period worker performance was carefully measured, individual skills and endurance were assessed. In the same period the practice of assigning work to the workers, submitting the finished product to the employer and the techniques of communication between the management and the flexible workers evolved. During that six-months period the staff could fill whatever gap there was in their skills, and indeed the flexible workers showed rapid progress in performance indicators.

### **Is the company satisfied with flexible working?**

For the time being, data recording in flexible working is not a profitable line. A part of the wages and attached social security contributions of the 11 persons in full employment are paid from revenues the company makes in other areas.

However, flexible working has proved to be a success as a way of organizing work. Some of the workers live in Jászberény, the seat of the company, others live away from the town, even as far as 100 km. As they are physically disabled and have reduced working abilities, they find it highly beneficial to work from their homes. They are often unwell and have to see their doctors. That is why they highly appreciate the possibility to set their own timetable of work. Work is always submitted to the company on time. Most of the flexible workers are highly motivated, in fact they are eager to get work. Some go as far as terminating their annual leave when work comes in. The visually challenged members of the team work by about 30% faster than the rest.

A noteworthy fact: the staff members with reduced working abilities often need to be talked to, on the phone or otherwise. Even if they find it difficult to visit the company, they regard it important to attend the occasional meetings. The flexible workers like to communicate with one another regularly, even if that is not necessitated by work. They keep an eye on one another's performance, and encourage one another.

Every third month the management of the firm assesses the work of the flexible workers, and the highest achievers get a reward. The prize is not cash because the firm could not afford that. Instead, it is symbolic: a music CD, a T-shirt or the like. Top performers even get a certificate of honour on completion of projects. The staff members are really pleased to receive those presents. The company is not considering to organize extension training for the staff. However, two workers have signed on for courses at their own expense: the courses are in computer graphics and technical drawing, respectively.

### **Hierarchy between flexible workers -- and related lessons to be drawn**

There is no sub- or superordination among the flexible workers of Pé-es Ltd. because there is no need for that. Work is assigned to the workers each month, and one of the firm's two co-owners takes over completed work from them.

### **About the future of flexible working at Pé-es Ltd.**

Pé-es Ltd. would gladly employ twice as many flexible workers if orders came in continuously. Endowed with hindsight, if the company could start employing flexible workers today, it would certainly arrange it in a different manner. When the idea first came up, the firm had the promise of getting sufficient work to be done with flexible workers. That oral promise never took the shape of a written contract though because the client backed down. There were even instances when the company was not paid for the work done. Presently the firm is making energetic efforts to obtain work for the flexible workers. The two managers are confident that, following a year of loss-making operation, the flexible working operation will at least become self-sufficient. Uncertainties in the legal environment are another drawback in the field of flexible working: there are certain questions of taxation about which even the Inland Revenue Office is unable to take a clear stand.

### **General lessons of the case study**

The problems mentioned in this case study are typical for micro- and small enterprises.

The sources of difficulties were as follows:

- ? uncertain business environment,
- ? clients do not always keep their promises. Because promises are occasionally not followed up with contracts and at times work done is never paid, small enterprises do not feel encouraged to employ flexible workers in full-time jobs.
- ? employing people with reduced working abilities requires from the employer enhanced attention, good communication skills and commitment. (In exchange, the firm can expect dedicated and highly motivated staff members.)
- ? people with reduced working abilities are often unwell and need medical treatment. Some of them are physically weaker than their healthy peers.
- ? the physically disabled people and persons with reduced working abilities for other reasons differ from one another to no smaller extent than their healthy peers, which means it is very difficult to define all-embracing rules that would cover them all.