

Társadalmilag felelős vállalkozás  
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# Socially Responsible Company Standard

Employer dimension of the Social Label





**THE BOOKLET PRESENTS THE METHODOLOGY OF THE HUNGARIAN SOCIAL LABEL.**

The methodology was developed by the BUDAPEST CHANCE workshops financed in the EQUAL Community Initiative by the European Social Found and the Hungarian Government. The rights of the standard belongs to FKFSZ Budapest Chance Non-profit Company.

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## WHAT IS THE SOCIAL LABEL?

Social responsibility has grown far beyond the theoretical level where it was only a concern for a handful of companies. The concept itself has turned into a quickly spreading requirement in the past few years. The Green Paper of the European Union published in 2001 defines corporate social responsibility as a concept whereby “companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis”.



**The social label is not a prize, but rather a system of objective standard.**

### HAVE YOU KNOWN THAT...?

The first social label of the European Union was introduced in Belgium in 2002 backed by proper legislation. After the elaboration of the qualification system, it was enacted, and various benefits were added to the scheme (tax discounts, advantages in public procurements, etc.), and thus the companies became interested in obtaining and maintaining the label.



Equal treatment, equal chances, diversity, socially responsible operation, CSR – all of them are such concepts associated with social responsibility that are becoming increasingly fashionable these days. They appear here and there with growing frequency in the media, at the various professional events and in our everyday lives, the most often in connection with the production companies and employers.

The expression “social label” is still less known, though it is steadily spreading in the footsteps of international examples. The expression interpreted as the “socially responsible company” has been first used in Governmental Decree 1025/2006. The need to frame an integrated qualification system has also cropped up there.

The aim of the qualification is to evaluate the practices of the companies in connection with the employees on the basis of an objective set of criteria in the course of due diligence or audit routines, as well as to offer an opportunity and support for the development of good practices. The Hungarian “Socially Responsible Company” qualification has been developed by the BUDAPEST CHANCE workshop of FKFSZ Non-Profit Company.

## **NOT A PRIZE, BUT A QUALIFICATION**

The socially responsible company qualification evaluates a process of innovation. During this evaluation, the company elaborates various actions in line with its own resources, with respect to the market conditions under which it operates. An audit is integrated in the system to help the company in controlling its socially responsible operations and having them acknowledged with a qualification.

The process does not reach its end with the audit; with the use of feedbacks, the system is steadily expanded and developed. The renewing audits provide opportunities for regular reviews, the acknowledgement of new good practices and arriving at higher levels of qualifications.

The socially responsible company qualification takes each group in disadvantaged positions in view of equal chances into consideration. On the other hand, it also considers taking such measures for the benefit of minority groups that will have positive outcomes even for the employees belonging to the majority of the society. As a part of the process, other regulations and measures associated with human resource policies shift towards positive directions, as well. It brings about the increasing loyalty of employees, and thereby enhances productivity, helps to avoid labour suits, penalties imposed for breaches of equal treatment; this way, it may as well generate direct financial benefits for companies.

## WHICH AREAS ARE EXAMINED BY THE QUALIFICATION?

The socially responsible company qualification can be used for the testing of human resource management practices as irrespective of the size and lifecycle of the given company, and points out the development orientations needed for socially responsible operations.

The qualification examines practices followed in connection with employees comprehensively in view of six areas (dimensions). All these dimensions accompany employees throughout their individual careers from the recruitment via the time spent at the company to the termination of the labour relation:

- (1) recruitment, selection;
- (2) working conditions, work circumstances;
- (3) compensations;
- (4) training and promotion;
- (5) involvement in the decisions of the company, promotion of interests;
- (6) dismissal, staff reduction.

The qualification also focuses on the (7) external and internal communication of the responsible operations of companies. The implementation of socially responsible practices calls for the ongoing internal communication of such practices, which offers grounds for and supports the cooperation of the employees and managers. The qualification encourages the broad-scaling, conscious and well-arranged communication of socially responsible practices towards customers, contractors and suppliers.

## Process of the qualification

The qualification levels have been shaped so as they should be available for the widest possible range of companies. We are aware of the fact that not all the companies are capable of starting the establishment of the qualification system with an audit, yet their commitments are to be rewarded.

Therefore, companies have the opportunity to get acquainted with the system at first via the website of the qualification ([www.sociallabel.hu](http://www.sociallabel.hu)), at club events and professional forums. Thus, they have the chance to meet other companies that are striving to operate in a socially responsible manner. The companies may receive support from the experts of Szinegál Independent Counselling Network for Equal Chances. They can request consultation and advice. Certain companies may be interested in the qualification in spite of the fact that they are not in the position to effectuate certain investments (e.g. obstacle-free access), for instance, due to the lack of sufficient resources. The system therefore evaluates even the effort wherein companies take the qualification values into consideration during the elaboration of their own regulations, and make hard efforts to become socially responsible companies.



## Szinegál Consulting Network for Equal Chances

In 2008, the workshop of BUDAPEST CHANCE organized training for advisors and auditors of equal chances with the involvement of experts who had been working in various field of promoting the employment of different, socially disadvantaged groups of people for years. Professionals attending the training eventually established Szinegál Independent Counselling Network for Equal Chances; the members of the Network contributed to the elaboration of the Hungarian Social Label – Socially Responsible Company qualification. The members of Szinegál are active in varied professional fields; besides social experts, psychologists, educational and HR professionals, lawyers and labour experts can also be found among their members. They have broad-ranging institutional and business experience, relationships and contacts in addition to non-governmental and non-profit organizations. Advisors and auditors of Szinegál have working experience with all the socially disadvantaged target groups, therefore they are aware of the special needs of these employees, as well as the system of good practices and supports promoting the employment of these groups.

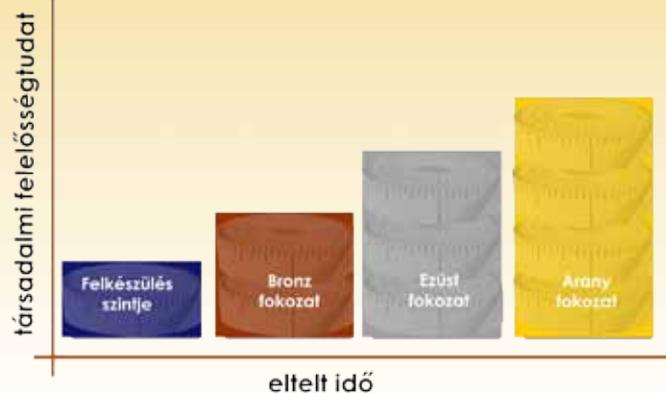
**The website of the qualification ([www.sociallabel.hu](http://www.sociallabel.hu)) also offers aids and materials that support companies in preparing the necessary documentation and developing their strategies.**

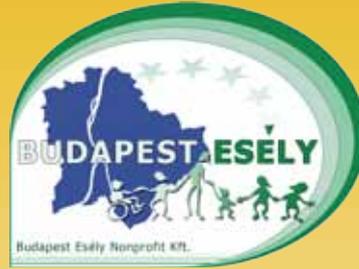


## LEVELS OF THE SOCIALLY RESPONSIBLE COMPANY STANDARD

With respect to the objectives and values, companies may enter the system of qualification on the levels described hereunder:

- Level of affiliation and preparation – the company is interested in the process, therefore it is provided with information in related to the process. It participates in events, consultations, and prepares plans as to which level it intends to reach. With the help of advisors, it assesses the initial conditions, and considers what measures are to be taken to reach the desired level. Keyword: assessment.
- Bronze level socially responsible company has prepared a detailed plan towards reaching the ideal level, and implemented some of the requirements it has assumed. Keyword: planning.
- Silver level socially responsible company meets at least half of the requirements of the communicated ideal level. Keyword: change.
- Gold level socially responsible company meets most of the requirements of the ideal level, and the company itself makes efforts in spreading the values of the socially responsible operations. Towards this end, it communicates the advantages of the qualification broadly. Keyword: communication.





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