

Summary Report of the Mutual Learning Programme of BusinessHungary's CORE Project

Author: Adrienn BALINT

Project Manager: Borbala VADASZ

The project "CORE - Capacity Building of Resilient Employers in Hungary 101051655"
is co-funded by the European Commission.

Sole responsibility lies with the authors, the publication reflects only the author's
view and the Commission is not responsible for any use that may be made of the
information contained herein.

www.mgyosz.hu

2024

The Mutual Learning Programme of MGYOSZ (hereinafter: the Programme) was implemented in the framework of the European Commission's CORE-Capacity Building of Resilient Employers in Hungary project in 2023-24.

The aim of this program was to facilitate exchange of experiences between employers' organisations in different countries about capacity building. The main aim of this program is to promote a better understanding of the way EBMOs tackle operational problems, the services they provide to members, and the way they design flexible membership- and organisational structures to adapt to different challenges. Further to the best practice exchange, this program also aimed to initiate discussion and mutual thinking about the possible solutions/tools for the organisational development of EBMOs in countries where the framework of industrial relations is less developed or weak.

During the Programme, MGYOSZ staff participated in 6 study visits with host organisations to discuss key operational and capacity issues and the impact of the COVID-19 epidemic on membership and the organisation. To summarise the experiences, 2 international workshops were held in Budapest, organised by MGYOSZ. In addition to the representatives of the

organisations visited, employer organisations that were not involved in the study tours but had valuable experience in terms of outcomes were invited. In selecting the countries/organisations participating in the Programme, we considered which economies are key for the Hungarian economy and the economic, social and political background of the country concerned, which could be decisive for social dialogue and industrial relations and could provide a basis for some comparison. The following organisations participated in the Programme:

- IV- Federation of Austrian Industries
- BDA The Confederation of German Employers' Associations
- LDDK Employers' Confederation of Latvia
- CIP - Confederation of Portuguese Business
- Lewiatan – Polish Confederation Lewiatan
- IBEC -Irish Business and Employers Confederation
- CPC - Concordia Employers Confederation (RO)
- NUE - National Union of Employers of Slovakia

This report contains a summary of the findings of the study tours and the workshops, with the assistance of the

ILO Budapest office and an external facilitator as an organisational trainer. In this report, we try to give an overview of the factors and circumstances that determine the capacity of employers' organisations in the CEE region, what the experts from the different countries participating in the programme consider to be the most important for their future, and on this basis, we try to identify the areas that are crucial for improving the capacity of the participating employers' organisations.

We have structured this report by outlining the general experiences of the employer organisations' functioning environment as well as of the impact of the COVID-19 pandemic, describing the challenges that the participating partners considered most important for their future, and trying to present good practices identified during the programme to successfully address these challenges. On this basis, we make recommendations on areas where it is worthwhile to provide capacity-building support to EBMOs and areas where continuous improvement can improve the adaptability of employers' organisations.

The impact of the COVID-19 pandemic on EBMOs

According to the ILO [ACT/EMP and IOE global survey](#)¹, more than 80 % of the EBMOs reported declining income as a result of the COVID-19 pandemic, and 70 % of EBMOs made some adjustment in the services/membership fee to retain members. Along with this, most employer organisations experience increased workloads during the pandemic. Even in countries such as Hungary, where social dialogue is weak, the frequency of consultations with the government has increased. According to the experiences of MGYOSZ, it was primarily the uncertainty of the economic situation that forced the social partners and the government to adapt, and the intensification of consultations helped to alleviate the hunger for information in the economy in the wake of the crisis. Although the number of face-to-face meetings with members has decreased, the importance of the information received from them has rapidly increased during the closures linked to the epidemic, and this has caused the greatest need for employers to adapt. According to the ILO survey, 80% of EBMOs have adapted their service delivery in response to the Covid-19 crisis, with

¹ [Global Survey of Employers and Business Membership Organisation: Inside impacts and responses to COVID 19. Pandemic, 2020.](#)

digitalisation at the heart of this change. To improve organisational visibility, employers' organisations can use strategies during the pandemic lockdown, the most effective of which were: more active engagement with the government, more active engagement with media to advocate for enterprise needs, more active engagement in social media, more active partnering with other business associations, more active engagement in bipartite social dialogue.

The operating environment of employers' organisations in Central and Eastern Europe

When designing the CORE project, we were primarily interested in how employers' organisations would adapt to a crisis as big as the COVID-19 pandemic. However, along the way, we realised that many economic, social, and political factors are forcing our organisations to adapt, not just at any given time but on an ongoing basis.

In order to understand the external and internal conditions in which employers' organisations operate in our region, we called on the expertise of the ILO DWT Budapest Office (Decent Work Technical Support Team and Country Office for Central and Eastern Europe in Hungary) to present

their experiences and the support they can provide to EBMOS.²

Factors determining environment of employers' organisations in CEE (ILO/DWT Budapest)

External

- volatile external environment and multiple crises (COVID, war in Ukraine, energy crisis)
- global megatrends: technological innovation, global economic integration, demographic and generational change, climate change and sustainability
- EU enlargement processes in the candidate countries
- increasing competition
- weak social dialogue framework and mechanism

Internal

- Insufficient income
- Understaffed secretariats
- Poor membership engagement
- Weak analytical capacity
- Underdeveloped negotiation skill

² Representing Businesses in Amid Change: Challenges, Opportunities and the Way Forward, presentation of Iulia Drumea, senior specialist of ILO DWT Budapest, June 2023.

At the same time, we asked our partners in the programme to help us define what they think will be the most important factor influencing their work in the near future. As a result of our joint work, we concluded that their experiences are closely aligned with those of the ILO. In addition, we were interested to see what capacity-building needs each organisation has, regardless of their economic situation or labour relations practices in their country. Below we present the most important issues that our partners consider the most important adaptation criteria, and some good practices that have been identified during the programme's implementation.

1. How to generate sustainable and independent income?

A sustainable revenue structure is important for all organisations. However, it is particularly challenging in countries where industrial relations practices and the role of collective agreements in regulating the labour market are not an incentive for companies to become members. It is a common experience that, especially for organisations operating at the national level, effectiveness, attractiveness, and visibility depend on the ability of the representative organisations to achieve

results in influencing government decision-making. Therefore, industrial relations and the framework for social dialogue are crucial for the financial sustainability of employers' organisations. However, the design of the service structure must consider not only members' needs but also similar services available on the market and internal organisational capacities. Therefore, when designing a sustainable revenue structure, it is important to have both the economic and political environment in which EBMOs operate, the available staff capacity, and a sufficiently flexible and broad range of staff expertise that not only covers advocacy and policy analysis but is also able to apply the same knowledge in the market. Strategic and marketing expertise to support this is also important.

Best Practise 1: IBEC COMMERCIAL SERVICES

[The KeepWell Mark](#) – a programme to achieve workplace wellbeing accreditation, helping companies embrace corporate wellness. This programme focuses on the key areas of workplace wellbeing ranging from leadership, mental health and absence management to physical activity and healthy eating. On joining the programme, organisation receive our

framework of standards in all areas of workplace wellbeing, tools to benchmark your organisation's current performance and invitations to our KeepWell community events and clinics for best practice sharing and expert advice.

[Skillnet Networks](#): Ibec partner with Skillnet Ireland, the business support agency, to enable businesses develop their talent in innovative and responsive ways. Ibec has 11 Skillnet Networks delivering subsidised learning programmes to support key sectors of the Irish economy. Focused on building the competitiveness, productivity and innovation of Irish businesses through enterprise-led workforce development, the programmes offered address both technical and non-technical skills needs, ranging from accredited diplomas and masters to short courses and certs.

[Ibec Academy](#) – a range of applied and accredited professional development programmes in key areas for employers such as Human Resource Management, Industrial Relations, Employee Relations, Management, Employment Law and Occupational Safety and Health.

[Employer Relations Services](#) – member companies can receive latest information and guidance on a wide

range of issues, including: Employment legislation, Human resources management best practice, Procedures for disciplinary, grievances and other workplace investigations, Work structures including shift systems, shift premia and overtime payments, Workplace Relations Commission (WRC) and Labour Court outcomes and precedent, Record keeping in the event of a labour inspection by the Workplace Relations Commission (WRC) from Ibec's team of experts.

[KC Connect](#) in 15 – a series is comprised of short, easy to digest webinars covering a range of employment legislation, occupational health & safety topics. See here.

[HRLink](#):

<https://www.ibec.ie/employer-hub/latest-hr-and-ir-news/hrlink> -

2. How can we keep generating added value for existing and future members?

The issue of value added cannot be separated from the issue of sustainable income, but advocacy and its outcomes are difficult to quantify services. The culture of social dialogue and the political and institutional framework available to the social partners are decisive for the ability of employers' organisations to influence economic

policy-making. The extent to which representative organisations can influence decision-makers, therefore, depends to a large extent on the political and social dialogue culture and traditions of the country concerned. In this context, employers also have a role in raising awareness among businesses of the potential to influence the shaping of their operating environment by joining the right representative organisations. In this way, employers' organisations can also create demand for their services by making certain services available to a wider public, not only to their members. In implementing the Programme, we have found that a key element in the range of services provided by all stakeholder organisations is their role as a link between business and government decision-makers.

Best practise 2: [“The German Employers' Conference” \(Deutscher Arbeitgebertag\)](#) is an event organised by the Confederation of German Employers' Associations (BDA). It has been held in Berlin at the end of each year since 1999. It brings together top representatives from business, politics and society to exchange ideas and generate impetus for reforms in business and politics. The German Employers' Conference is considered to be the most important economic policy event in Germany.

A total of around 1,500 guests attend each year, including the Federal Chancellor. A large number of accredited journalists and live television and internet coverage are evidence of the high level of media interest. It is organised by the Gesellschaft für Marketing und Service der Deutschen Arbeitgeber (GDA) on behalf of the BDA. The event is financed by numerous sponsors, supporters and patrons.”

Best practise 3: [European Forum for New Ideas \(EFNI\)](#) is a large-scale event of Polish Business Confederation Lewiatan, that has been organised since 2011 by the Polish Confederation Lewiatan in cooperation with BusinessEurope and the city of Sopot. The idea behind the first edition of EFNI was to devise a platform for exchanging thoughts and concepts intended to improve the environment in which to live and carry out business. The intellectual melting pot of business leaders with participants representing the world of politics, science, culture, NGOs and the media is intended to inspire entrepreneurs and make it possible to build a common voice of business in the debate on the future of Poland and Europe. During the Forum, participants look for answers to new global challenges, discuss changes taking place in the world and propose constructive solutions. During its

editions, the Forum has attracted almost 10 thousand attendees and more than 1,500 panellists. The event is supported by a mobile app downloadable from app store on Apple and Android, so every participant can log in, have access to all events, tag those that he is interested in participating or wants to follow.

3. How can we deal with an increasingly populist political discourse? How can we tackle the different political interests and influences within our membership?

Programme participants found that populist political discourse also influences the work of social partners. Our experience shows that the emergence and impact of this phenomenon varies from country to country, depending on the political, economic and social situation, but is ubiquitous. In our daily work, we also see that political divisions can appear within and between sides, not only on the employer side but also in trade union work and among the social partners in general. Participants in the Programme concluded that it is more important than ever to develop evidence-based policy-making in the work of organisations, to communicate positions and results as widely as

possible and to make organisational results visible.

Best Practise 4. Communication at the Federation of Austrian Industry

The main target groups of IV's communication strategy are its members, political and socio-political institutions and future members. Their value proposition is innovation, humanity, responsibility, courage and independence. Their mission is to be a constant driving force for the improvement of industrial structures through constant impulses. They reach their target group through the following channels:

- Direct mailing list: daily news summaries and press releases are sent to 3400 addresses.
- They publish an online magazine 10 times a year with 9000 readers
- An app and intranet for members
- Support important industry initiatives through media campaigns
- An intensive presence on social media platforms. The main channels are LinkedIn, Facebook, and Instagram to recruit new members, and TikTok to address specific issues. Their "Apprentice Challenge" campaign on TikTok is to attract new target groups to industry-related issues. This is a contest where an industry influencer calls upon young people to create new

industry-related content, and the most nominated/viewed videos were nominated for a valuable prizes.

Love Brand Blog: Fact&Fact is a digital magazine where writers write about issues that are important and interesting for the economy but are not prioritised in their daily work. They have 25,000 readers a month.

4. How can we secure the autonomy of social dialogue and prevent government interference in key topics?

The relationship between government legislation and social dialogue has also proved crucial for all partners, irrespective of collective bargaining and labour market regulation practices. This issue has been raised in the analysis of the involvement of social partners in policy-making and seemed crucial in countries such as Germany, which has based its labour legislation on collective agreements. The social partners' possibilities to influence the institutional framework are limited, especially in EU member states with weaker industrial relations frameworks, and sometimes the legal basis for bipartite agreements is lacking on the national level (e.g. in the case of Hungary). We believe that in these cases, the best way to improve bargaining power and influence policy-making is to improve the

organisations' advocacy weight, with the most important tool of membership building.

Recommendations of the BusinessHungary and its partners for organisation development and capacity-building priorities of EBMOs

On the basis of the questions raised in the joint work of the Programme, the partners jointly identified their capacity-building needs, which could guide their future organisational development and provide priorities to better target the EU resources available for capacity-building.

Priority 1: Improving evidence-based policymaking

The analytical capacity of employers' organisations needs to be strengthened in order to improve advocacy and combat disinformation. This can be done through the recruitment of new, appropriately qualified professionals, the training/upskilling of existing staff and cooperation with research partners. In a rapidly changing external environment, it is challenging to quickly monitor the state/opinion of the business sector, and adaptation can be facilitated by the effective use of digital analytical tools and methods, which allow us to reach a wider range

of members in a shorter time than through working group discussions alone. This digital adaptation imperative has been accelerated by the COVID epidemic and has been successfully applied by many employers' organisations. Our recommendation is that capacity-building support should be designed in this way, with a focus on supporting the development of organisational expertise, particularly in the areas of policy, legal and economic analysis and digital solutions. Support for one-off collaborations with research companies will also allow employers' organisations to produce evidence-based technical material on topics in which they would otherwise lack in-house expertise.

Soft skills are of particular importance for advocacy experts. Negotiation and communication skills are paramount not only in dealing with government and external stakeholders, but also internally in operations. It emerged from the Programme's workshops that in many cases conflicting interests within the membership emerge and these need to be put on a common platform for effective advocacy. This requires outstanding problem-solving skills, supported by appropriate expertise, conflict management and personal resilience. Therefore, the development of soft skills, regardless of external circumstances, is an ongoing and permanent need for most EBMOs.

Priority 2: Effective Communication

Effective communication is key to building a brand, communicating results and reaching existing and potential members. In implementing the Programme, we found that most employer organisations can be effective through a combination of traditional methods (newsletters, mailing lists, magazines) and online marketing tools. The role of LinkedIn was highlighted by almost all organisations, and the communications strategy being implemented within CORE supports the view that it is effectively the social media platform that can most effectively support member recruitment campaigns. However, it is important to note that in order to reach different generations, organisations need to be active on most social media platforms, and this requires a separate set of skills that are not necessarily available to all organisations. Therefore, we believe that capacity-building programmes should include the design and implementation of a communication strategy that includes social media management, with the primary aim of reaching companies and supporting their recruitment activities.

Fighting disinformation is also a need revealed by our workshop. This should also be part of evidence-based policy making, but it should be supported by proper communication beyond knowledge of the facts. Participants considered it important to advocate for

and disseminate information from quality media channels. Evidence-based policy-making tools and communicating the results through fact-checking are the most important task of employers' organisations in the fight against populist political discourse.

Priority 3: Being a proactive social partner through alliances

In addition to strengthening the membership base, the advocacy influence can be further strengthened by working with other social partners. Both the experience of our Programme and the ILO recommendations underline that social partner alliances can have a stronger influence on policy-making even in weak institutional frameworks. Therefore, both within and between employers' sides, we should seek partnership between organisations with similar objectives.

The experience with cross-border European projects with a common policy priority is positive, as they are practically the only way to address European issues in a bipartite partnership, especially in CEE Member States. Financial support from the European Commission is essential in this respect. The partners involved in the Programme believe that it makes sense to establish occasional or long-term alliances with organisations with similar interests at the national level to achieve common goals.

+1 Best practise: The added value of European funded projects - [DEVELOPMENT OF SKILLS IN THE WELLNESS SECTOR \(WELLTO\)](#)

LDDK is a cooperation partner in the Erasmus + project "Stakeholder Development of Future Wellness Sector Skills" (WellTo), which is implemented by the Bulgarian Institute for the Education of International Organizations Employees (ITPIO) from October 2018 to September 2020. The objective of the project was to ensure effective cooperation between professional education institutions and wellness tourism (Wellness and SPA) companies in order to ensure the planning and implementation of a single qualification 'Wellness center administrator' in school and work environment-based learning. The project provided:

- Developed a unified description and curriculum for the qualification 'Wellness center administrator' for four countries - Bulgaria, Slovenia, Slovakia, Latvia;
- Developed recommendations for the implementation of the curriculum in the form of learning based on the work environment;
- Training of work environment-based learning mediators;
- Implementation of international mobility of students.

The main added value of the programme was that it was able to contribute to the development of a sector by developing curricula and providing a framework for dual education in the wellness sector. The project was implemented in the cooperation of 14 organisations and in 4 countries (Latvia, Bulgaria, Slovenia, Slovakia)

According to the Programme's experiences, in countries where the institutions, legal frameworks and traditions of social dialogue and industrial relations are weak, it is not worth separating the role of employers and business representatives. In our countries, organisations' main challenge is attracting and retaining the interest of companies and thus ensuring long-term organisational sustainability.

BusinessHungary's next capacity-building project, "CORE2-Capacity-building of Sustainable Employers in Hungary", includes a second round of a Mutual Learning Programme with a sustainability angle. It aims to reveal EBMOs practises in managing green and sustainability issues and their social- and labour market impact.

Budapest, March 2024.