



**Credinvest Ltd.**

**Interviewee: Éva Herczeg, personnel advisor, Kecskemét**

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

Credinvest Ltd. was formed in 1993. Originally it only rendered financial services, such as consulting and accounting. It soon realized however that those services were not always sufficient if the aim was to improve the efficiency of partner firms. As the value of manufacturing and services increasingly depend on the quality of human resources, in 1999 Credinvest diversified its portfolio with functioning as a profit-oriented employment agency and an agency hiring out temporary labour.

When acting in the latter capacity, Credinvest fulfils the entire range of administrative functions as required by clients, including the selection of suitable temporary staff members to be hired out. In the majority of cases workers are selected and hired by Credinvest and, after workers' period of work expires, it readmits them to its staff. Credinvest is paid for its services monthly. The services include maintaining daily contacts with the employees, taking care of their work-related problems and protecting their rights. An intermediary as it is, Credinvest also has to represent the clients' (that is, employers') interests. Such an arrangement has financial and other benefits for all the parties involved.

Contrary to popular belief, temporary labour contracts usually last for longer than a few months, say, for a year, and they may even be prolonged. Using temporary labour, the client companies are freed from the administrative chores and the burden of paying social security contributions and other public dues. What is more, they are relieved from most of the human resources-related assignments, as for instance, those related to hiring and firing labour. Initially companies only used temporary labour where the volume of orders widely fluctuated. By now hiring temporary labour has become widespread.

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

In 2002 the idea to introduce flexible working came both from employees and employers spontaneously.

As far as hiring out temporary labour was concerned, Credinvest kept placing advertisements in the media, maintained daily relations with job centres and attended events where large numbers of jobs were offered ("job auctions". More and more employees told Credinvest that they were looking for work that could be done from their homes. Such request was raised with the following motivations: it was attractive for mothers with small children; people who do not make enough money to make a living and look for additional sources of income; people whose physical conditions does not allow them to go to work day by day; and persons who live too far from potential employers. Let us mention another case: when a company needs an urgent translation service, a flexible worker (who has good references) is an ideal solution. After collecting sufficient practical information about flexible working and finding out how best to adjust it to the company's overall activities, Credinvest decided to make it part of its operation. It is an important mission, Credinvest thought, to offer work for people who find it difficult to succeed in the labour market. Eventually it has become part of Credinvest's strategy to search for persons who can satisfy special work requirements in any fields, in full-time and part-time jobs and/or doing it in flexible working.



Credinvest set up a database (which is available also on the Internet) about persons who wish to do flexible working. There is keen interest in flexible working in several parts of Hungary and with time new applicants tend to have ever higher qualifications. It is now taken as granted that those who register on the database have a computer and have access to the Internet.

Small, medium and large companies that are looking for flexible workers can fill in a form on Credinvest's website and specify their request for labour. Credinvest examines the employers' requests (demand side) and the potential flexible workers (supply side) and then it informs employers about persons who in Credinvest's opinion will satisfy their requirements.

In addition, Credinvest advertises its demand for specific types of labour on similar other agencies' websites. That enhances exposure and the chance for the long-term and stable cooperation of employers and employees.

Employers can find detailed information on Credinvest's website about practical aspects of flexible working, Credinvest's related services, and on how flexible workers' output is measured and remunerated.

Since a few months ago Credinvest has been employing two persons who do flexible working from Credinvest's premises. They do Credinvest's marketing as far as flexible working is concerned and do telemarketing for other companies. Legally speaking, they are employed with a mandate agreement, and they are paid on the basis of performance rather than the time spent there. Credinvest assesses their performance weekly. They work in Credinvest's office because they do not have a computer and Internet access at home, and it is less expensive for Credinvest to have them there than finding some other arrangement. Credinvest employs two translators and a legal advisor, who do their work in their home.

### **The role of the flexwork manager, and the selection, hiring and training of flexible workers**

Personnel advisor Éva Herczeg selects both Credinvest's own employees and the people who get temporary or permanent employment at Credinvest's contractual business partner companies. She introduced flexible working to Credinvest, and she is charged with managing the flexible workers' affairs. Flexible working is quite new at Credinvest, and so far there has been no need for a related training course. In Herczeg's view flexible working is an area where extension training should be continuous rather than restricted to individual courses. What she knows about the subject she learned herself from various sources, but she complains of getting word about certain relevant developments too late.

Those employees who register with Credinvest's database, she says, are computer-literate, so they can do word processing and data entry. They would get better work if they had, in addition, other skills, as for instance, accounting or communication. There is a bigger problem: most applicants find flexible working a strange way of life, totally unlike their former "8 to 5" working timetable. Apparently, not all people are suitable for flexible working.