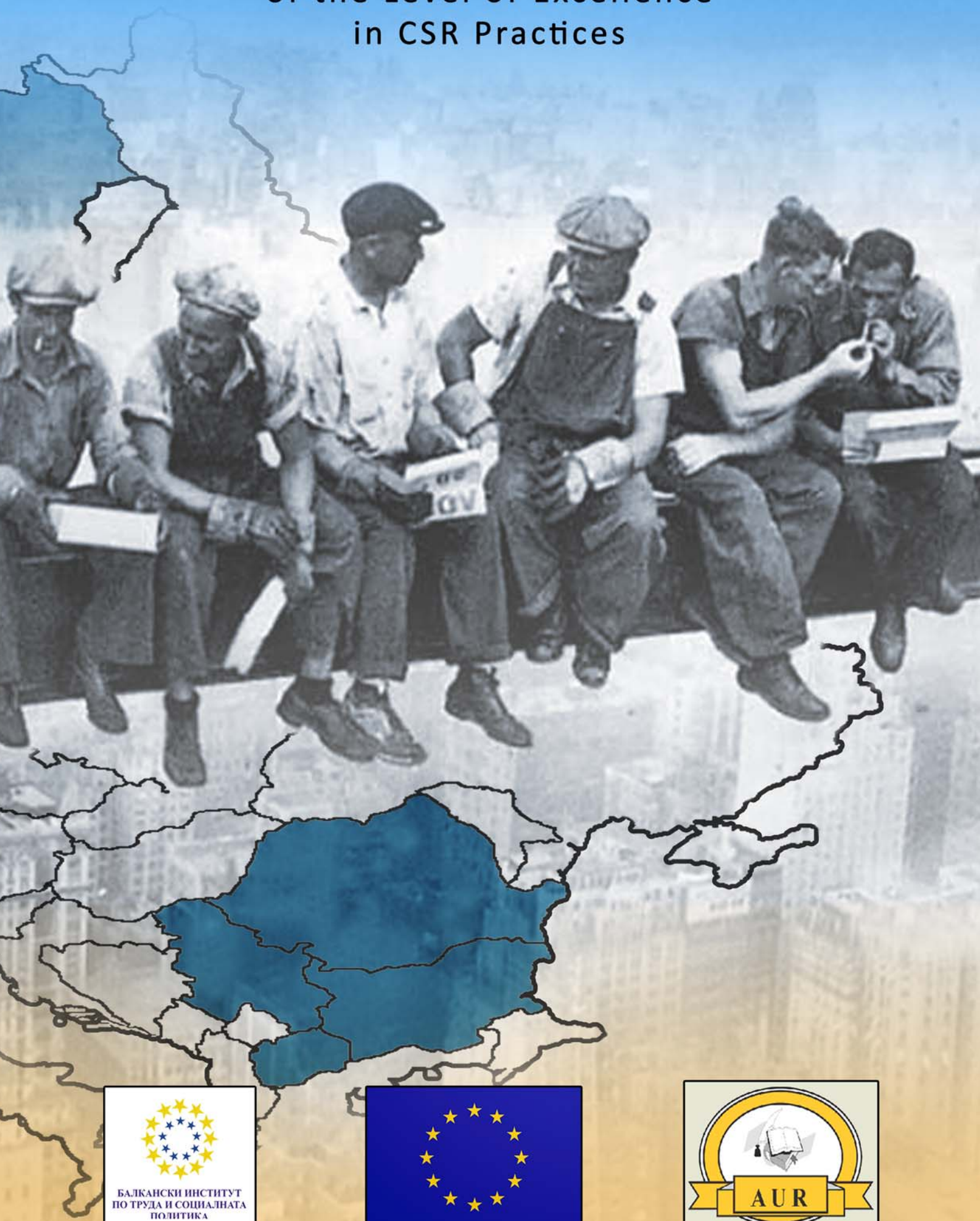


# Methodology for Monitoring and Assessment of the Level of Excellence in CSR Practices



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The seven-year Programme targets all stakeholders who can help shape the development of appropriate and effective employment and social legislation and policies, across the EU-27, EFTA-EEA and EU candidate and pre-candidate countries.

PROGRESS mission is to strengthen the EU contribution in support of Member States' commitments and efforts to create more and better jobs and to build a more cohesive society. To that effect, PROGRESS will be instrumental in:

- providing analysis and policy advice on PROGRESS policy areas;
- monitoring and reporting on the implementation of EU legislation and policies in PROGRESS policy areas;
- promoting policy transfer, learning and support among Member States on EU objectives and priorities; and
- relaying the views of the stakeholders and society at large

For more information see:  
[http://ec.europa.eu/employment\\_social/progress/index\\_en.html](http://ec.europa.eu/employment_social/progress/index_en.html)



The information contained in this publication  
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## **1. Introduction**

In recent years we have witnessed an exponential increase of initiatives around the concept of Corporate Social Responsibility (CSR) as a direct response to the introduction of the increased awareness of the public on societal and environmental issues. As a result, programmes to invest in working conditions, sustain decent work, protect environment, develop eco-friendly products, support local communities are now high in the agenda of many organisations and governments.

As with other similar type of initiatives the rate of adoption of CSR practices has been slower within the organisations in transition countries even though some are new EU member states such as Bulgaria and Romania. The reasons for this slower adoption can range from the daily pressures to succeed in the marketplace to the limited amount of resources that the companies in these countries can allocate for the purpose. In our perception however a key factor is the fact that the organisations often do not really understand the benefits of adopting these new practices. It is suggested that some of the barriers that affect the adoption and success of CSR initiatives include the lack of integration within the strategy of the organisation and appropriate measuring tools to weight the success of these initiatives. Furthermore, although these innovative efforts appear widespread amongst the organisations in these countries evidence suggests that this does not always translate into improved organisational performance. As a result most of the organisations often prefer to participate in one-off initiatives rather than in lasting programmes thus minimising the possibility of successful sustainable practices.

The reasons for this lack of success of CSR related practices in most of organisations can be of a complex matter. There could be organisations that implement CSR related due to a concern about their public image. Similarly, compliance with legislation could be the key driver and without adequate support programmes and policies (i.e. financial benefits) sustainability would be difficult to achieve. There are many definitions of CSR as well as different opinions on how CSR should be introduced in organisations, which increases the complexity of the issue. It is important to emphasize that the stance that the EU has taken with regards to several aspects of CSR is a voluntary one. The rationale behind this approach is that stringent rules and regulations constrain creativity and innovation in organisations reducing competitiveness. On the other hand, it is believed that the lack of rules and legislations with a non voluntary approach may create complacency and encourage companies to do as little as possible, e.g. public relation stunts aimed at increasing profit without actually contributing in a positive way to society or the environment. These opposite points of view are valid as they have been exposed by mass media and witnessed by society. This raises the question: what is the role of business and/or other private organisations in CSR? Unfortunately there is no straight single answer to this question. The bottom line is that whether CSR practices are forced upon an organisation or voluntary, for these practices to be successful they must have a multiple positive impact on the company profits, working conditions, the society and the environment.

This introduction suggests that there is a long way to be passed while CSR turn out to be an integrated element of the organisations' strategies and cultures within the majority of private and public entities in countries like Bulgaria and Romania. However, this document pretends

to be an effort to introduce CSR practices in the Bulgarian and Romanian organisations. It focuses at something very important, namely, recognizing the CSR level of excellence within the organisations.

The work is tightened within the context of overall efforts to prevent exclusion from the labour market by encouraging CSR. The document disclose practical methodology to monitor and assess companies' performance in CSR narrowing the scope to specifics such as integrating and retaining people who, for a number of reasons, experience difficulties in obtaining employment.

In the methodology, CSR is defined as company practices that prevent, solve or reduce social problems. This definition emphasizes on concrete actions to promote an inclusive labour market. To measure developments, CSR is divided into actions aimed at:

- preventing social exclusion among the core workforce;
- retaining employees at risk of social exclusion;
- re-integrating employees who are already excluded from the labor market.

Developments and changes in social responsibility performance are viewed from the perspective of both the employees and employers.

## ***2. Committed to CSR Excellence***

This is a level of excellence designed for organisations, or organisational units, at the beginning of their journey to CSR Excellence with focus on marginal groups at the labor market. The emphasis is on helping organisations understand their current level of performance and establish improvement priorities. It follows a three-stage process:

Stage 1 includes completing a process of Self-Assessment at a management level which is based on the 7 criteria parts. This provides a broad overview of performance against an established framework used by role model organisations. The output of this assessment will result in identifying improvement areas relevant to the organisation.

Stage 2 is to verify self-assessment findings with the help of independent verifier who carry out a site visit and helps the organisation to understand its status and long-term objectives in the CSR field. The trained CSR monitor through meetings, discussions and review of appropriate documentation will confirm this during a site visit that is typically one or two days.

Stage 3 requires development of improvement actions for achieving the desired level of excellence. The set of actions should be fully-fledged improvement action plan, based on feedback from Self-Assessment and initial site-visit against a CSR Excellence Model. The action plan should be developed by the organisation with the help of experienced and trained CSR expert.

Successful achievement of this level, which may be undertaken at any time, entitles the organisation to use the insignia in their strategic and operational efforts.

## **Why Committed to Excellence?**

For the organisations which are committed to CSR Excellence, the emphasis is on creating passion and commitment amongst internal stakeholders, in order to generate the necessary momentum to start improvement activities. For this level provides them with a practical and simple way to build on their knowledge and experience of the CSR Excellence Model.

## **Monitoring and assessment objectives**

The scheme provides user friendly, practical ways to begin an organisation's journey towards excellence and is therefore primarily designed for those organisations that want:

- to find out more about how they manage their organisation or an operational unit within their organisation through Self-Assessment and identifying their strengths and areas for improvement against the most widely used management framework;
- structured processes for identifying, prioritising documenting and implementing improvement activity in the CSR field;
- constructive feedback from an external source about the way improvements are implemented and the results achieved;
- some form of recognition for their initial efforts in seeking to become an excellent socially responsible organisation.

## **The benefits**

The reasons why the organisation should introduce this model and the specific benefits to the organisation are:

- the organisation wants to know how to identify areas for CSR improvement through Self-Assessment, in a simple and practical way,
- the organisation wants to be more structured and rigorous in the way it prioritises, documents and implements the resulting improvement activities,
- the organisation wants to receive constructive feedback from an experienced external source, on the improvement projects it has implemented and the results achieved. The feedback provided will help it focus further improvement activity and can serve as an input for business planning,
- the organisation wants to receive a distinctive and prestigious recognition of socially responsible organisation. It will recognise the initial efforts at the start of a systematic implementation of excellence concepts,
- the organisation wants the opportunity to benchmark against other organisations using the same framework, including role model organisations,
- the organisation will gain practical experience and learn from preparing for the site visit.

### **3. Main Elements of the Methodology**

The main components of the CSR monitoring and assessment methodology are:

- monitoring and assessment criteria fields,
- target groups ,
- concrete monitoring and assessment indicators with sources of verification,
- main monitoring and assessment tools,
- assessment benchmarks.

#### **3.1 Monitoring and assessment criteria fields**

- Marginal groups at the labor market within the employment structure of the company;
- Non-discrimination practices of the companies;
- Labor/management relations;
- Employees to employees relations;
- Training and education of the marginal groups;
- Co-financed CSR activities regarding marginal groups;
- Career development of marginal groups representatives.

#### **3.2 Target groups**

Marginal groups at labor market – young people, low-skilled and low-educated, women after maternity leave, pre-retirement age, people with disabilities, people after long-term unemployment period, ethnic minority groups.

#### **3.3 Concrete monitoring and assessment indicators**

The indicators proposed below are broken down by the above-mentioned 7 criteria fields:

##### **3.3.1 Marginal groups at the labor market within the employment structure of the company**

E.1 Number and share of employed at disadvantage – generally, by employment type, employment contract, positions (management and supervising ones)

E.2 Total number and rate of disadvantage employee turnover by age group, type of disadvantage

E.3 Tenure of employment with same employer by disadvantaged employees



### **3.3.2 Non-discrimination practices of the companies**

- D.1 Employer's compliance with all local laws, regulations and procedures concerning non-discrimination.
- D.2 Differentiation of salary and benefits on the basis of disadvantage status
- D.3 Number of practices of promotion/advancement
- D.4 Number and magnitude of disciplinary actions towards representatives of marginal groups on the basis of disadvantage status

### **3.3.3 Labor to management relations**

- LM.1. Percentage of employees at disadvantage covered by collective bargaining agreements
- LM.2. Number of practices (cases) including marginal groups' representatives for counseling, advising and other decision making forms

### **3.3.4 Employees to employees relationships**

- WW.1 Percentage of employees at disadvantage participating in employees representations forums
- WW. 2 Participation of marginal groups in formal and informal social life in the enterprise

### **3.3.5 Training and education of the marginal groups**

- TE.1. Average hours of training per year per employee by employee category including marginal groups
- TE.2. Programs for skills management and lifelong learning that support the continued employability of employees at disadvantage and assist them in managing career endings
- TE. 3. Number of employees at disadvantage participated in company's trainings

### **3.3.6 Co-financed CSR activities regarding marginal groups**

- F.1 Number of CSR activities regarding marginal groups financed by external sources
- F.2 Number of CSR activities regarding marginal groups financed by internal sources
- F.3 External and internal sources allocated to marginal groups

**3.3.7 Career development of marginal groups representatives**

- CD.1. Number and percentage of employees receiving regular performance and career development reviews
- CD.2 Percentage of employees at disadvantage who have been promoted

In order to monitor and assess CSR level of excellence according to the indicators listed above, the following general monitoring and assessment tolls will be used.

**4. Self-Assessment Questionnaire**

The distributed self-assessment questionnaire should be accompanied by an introductory letter where the purpose of the questionnaire is explained and it is that the monitoring team together with the organisation should help each other on the way of building competitive economy that can cope with the challenges of the global market. And there the most important factor determining the competitiveness of a company is the human and social capital - the personnel of the organisation, its qualifications, motivation and loyalty. And also the community where the business is located - how they look at the organisation, what is their opinion of the work of the organisation, the integrity and the dignity as a company.

It should be stated that the project under which the activities are implemented is directly financed by the European Commission, which shows the significance and importance of the problem of human and social capital in a European context. PROGRESS program pursue exactly this purpose: to create more and better jobs in an integrative society.

An appreciation of the efforts that the organisation will make to achieve the goal of using in a most efficient and dignified way the human potential of Bulgaria should be emphasized!

The questionnaire which was used during the pilot phase of the project is shown below:

<b>Questionnaire for self assessment</b>		
<b>Corporate Social Responsibility</b>		
<b>General and personal information</b>		
1. Name of the company		
2. Number of staff	<input type="checkbox"/> 20-50 <input type="checkbox"/> 50-75 <input type="checkbox"/> 75-100 <input type="checkbox"/> 100-250 <input type="checkbox"/> over 250	

3. Age of the person filling the questionnaire	<input type="checkbox"/> 18-25 <input type="checkbox"/> 25-35 <input type="checkbox"/> 35-45 <input type="checkbox"/> 45-55 <input type="checkbox"/> over 55	
4. Current position held	<input type="checkbox"/> General manager <input type="checkbox"/> Head of “Human Resources Management” <input type="checkbox"/> Other	If you have other duties, please specify
5. Highest level of education achieved	<input type="checkbox"/> secondary education <input type="checkbox"/> secondary vocational education <input type="checkbox"/> College degree or B.Sc. degree <input type="checkbox"/> M.Sc. degree <input type="checkbox"/> Ph.D. <input type="checkbox"/> Other (please specify) .....	
6. Field of expertise	<input type="checkbox"/> business administration <input type="checkbox"/> public administration <input type="checkbox"/> marketing <input type="checkbox"/> human resource development <input type="checkbox"/> engineering <input type="checkbox"/> finance and/or economics <input type="checkbox"/> law <input type="checkbox"/> other (please specify) .....	
<b>Information on Corporate Social Responsibility</b>		
7. How many people from vulnerable groups work in your company?	<ul style="list-style-type: none"> <li>- number of employees of age under 25</li> <li>- number of employees of age between 50 and 63</li> <li>- number of employees after maternity leave</li> <li>- number of employees with disability</li> <li>- number of female employees</li> <li>- number of employees with primary education</li> <li>- number of employees from minority groups</li> <li>- number of employees that have been long-term unemployed (over 1 year without job)</li> <li>- total number of employees from vulnerable groups</li> </ul>	<p>Note: The total number of employees from vulnerable groups may not be the sum of figures above, because some of the employees may participate in several vulnerable groups (e.g. young woman after maternity leave from minority group)</p>

<p>8. Description of the employees from vulnerable groups according to the type of their employment contract</p>	<ul style="list-style-type: none"> <li>- number of employees from vulnerable groups with permanent employment contract</li> <li>- number of employees from vulnerable groups with temporary employment contract</li> <li>- number of employees from vulnerable groups with short term (seasonal) employment contract</li> <li>- number of employees from vulnerable groups with civil contract other (please specify) .....</li> </ul> <p>.....</p>																										
<p>9. Description of the employees from vulnerable groups according to the position held</p>	<ul style="list-style-type: none"> <li>- number of employees from vulnerable groups on senior management position</li> <li>- number of employees from vulnerable groups on middle management position (supervisor)</li> <li>- number of employees from vulnerable groups on executive position (workers)</li> </ul>																										
<p>10. Description of the employees from vulnerable groups according to the average period of employment in the company</p>	<ul style="list-style-type: none"> <li>- number of employees from vulnerable groups that have been employed by your firm less than 3 months</li> <li>- number of employees from vulnerable groups that have been employed by your firm between 3 and 6 months</li> <li>- number of employees from vulnerable groups that have been employed by your firm between 6 and 12 months</li> <li>- number of employees from vulnerable groups that have been employed by your firm over 1 year</li> </ul>																										
<p>11. Do you work actively with any of the following organisations when employing people from vulnerable groups?</p>	<ul style="list-style-type: none"> <li><input type="checkbox"/> we work with the Labour office for recruitment of certain number of workers from vulnerable groups</li> <li><input type="checkbox"/> we work with orphanages ( homes for children deprived of parental care)</li> <li><input type="checkbox"/> we work with organisations of and for disabled people</li> <li><input type="checkbox"/> we do not have such practice</li> </ul>																										
<p>12. How would you evaluate your recruitment policy for people from vulnerable groups?</p>	<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 30%;"></th> <th style="width: 10%; text-align: center;">1</th> <th style="width: 10%; text-align: center;">2</th> <th style="width: 10%; text-align: center;">3</th> <th style="width: 10%; text-align: center;">4</th> </tr> <tr> <th></th> <th style="text-align: center;"><b>low</b></th> <th style="text-align: center;"><b>average</b></th> <th style="text-align: center;"><b>good</b></th> <th style="text-align: center;"><b>high</b></th> </tr> </thead> <tbody> <tr> <td>-there is policy</td> <td style="text-align: center;">no</td> <td style="text-align: center;">yes</td> <td style="text-align: center;">yes</td> <td style="text-align: center;">yes</td> </tr> <tr> <td>-there is communication</td> <td style="text-align: center;">no</td> <td style="text-align: center;">yes</td> <td style="text-align: center;">yes</td> <td style="text-align: center;">yes</td> </tr> <tr> <td>-there is person in charge</td> <td style="text-align: center;">no</td> <td style="text-align: center;">not enough</td> <td style="text-align: center;">yes</td> <td style="text-align: center;">yes</td> </tr> </tbody> </table>		1	2	3	4		<b>low</b>	<b>average</b>	<b>good</b>	<b>high</b>	-there is policy	no	yes	yes	yes	-there is communication	no	yes	yes	yes	-there is person in charge	no	not enough	yes	yes	
	1	2	3	4																							
	<b>low</b>	<b>average</b>	<b>good</b>	<b>high</b>																							
-there is policy	no	yes	yes	yes																							
-there is communication	no	yes	yes	yes																							
-there is person in charge	no	not enough	yes	yes																							

	-there is planning      no      yes      yes      yes -there are procedures      no      yes      yes      yes - there are results      no      yes      yes      yes	
13. How would you evaluate your contribution to the development of the policy for recruitment of staff from vulnerable groups on the labour market?	<p style="text-align: center;">1                  2                  3 low                  average                  high</p>	
14. How does your company implement the existing anti-discrimination laws and regulations?	<input type="checkbox"/> there is developed written policy for non allowance of discrimination in the company <input type="checkbox"/> there is detailed written procedure for following the Protection Against Discrimination Act <input type="checkbox"/> we have detailed written procedures and developed ways for employing, training, motivating and combat against discrimination in the company <input type="checkbox"/> we do not have written documents for protection against discrimination, but we have created atmosphere of non allowance of discrimination in the company <input type="checkbox"/> we do not have written policy and procedures <input type="checkbox"/> other (please specify) .....	
15. How would you evaluate the policy of your company for non-discrimination?	<p style="text-align: center;">1                  2                  3                  4 <b>low                  average                  good                  high</b></p> -there is policy      no      yes      yes      yes -there is communication      no      yes      yes      yes -there is person in charge      no      not enough      yes      yes -there is planning      no      yes      yes      yes -there are procedures      no      yes      yes      yes - there are results      no      yes      yes      yes	
16. Does your company has written policy/procedure to prevent harassment and abuse?	<input type="checkbox"/> Yes, there is written policy <input type="checkbox"/> Yes, there are detailed procedures <input type="checkbox"/> Yes, there are written procedures and developed forms <input type="checkbox"/> Yes, there is a box for complains <input type="checkbox"/> No, there is no written policy <input type="checkbox"/> other (please specify) .....	
17. How would you evaluate your company regarding the policy to prevent harassment and abuse?	<p style="text-align: center;">1                  2                  3                  4 <b>low                  average                  good                  high</b></p> -there is policy      no      yes      yes      yes -there is communication      no      yes      yes      yes	

	-there is person in charge    no    not enough    yes    yes -there is planning            no    yes            yes    yes -there are procedures        no    yes            yes    yes - there are results            no    yes            yes    yes	
18. How would you evaluate your contribution to the development of the policy to prevent harassment and abuse?	<p style="text-align: center;">1            2            3 low        average    high</p>	
19. Please, write down the average worker's salary for the different groups of employees in your company	BGN average salary in the company BGN average salary of the workers (non-managerial staff) in the company BGN average salary of the vulnerable groups in the company BGN average salary of the female workers in the company BGN average salary of the women from managerial staff (high and middle management staff) in the company	
20. Does your company have written policy/procedures for promotion and career development of the staff from vulnerable groups?	<input type="checkbox"/> yes, we have special written policy <input type="checkbox"/> yes, we have separate detailed procedures <input type="checkbox"/> yes, we have written procedures and developed forms <input type="checkbox"/> yes, we have special policy/procedure for additional training of the staff from vulnerable groups <input type="checkbox"/> yes, we have special policy/procedure for career development of the staff from vulnerable groups <input type="checkbox"/> yes, we have special policy/procedure for additional material benefits of the staff from vulnerable groups <input type="checkbox"/> yes, we have special policy/procedure for moral benefits of the staff from vulnerable groups <input type="checkbox"/> no, we do not implement special policy for the staff from vulnerable groups <input type="checkbox"/> other (please specify).....	
21. Does your company have written policy/procedure for disciplinary measures for staff from vulnerable groups?	<input type="checkbox"/> yes <input type="checkbox"/> no	
22. How many training in average are organized for the staff from vulnerable groups?	<input type="checkbox"/> none, the company employs only trained/qualified staff <input type="checkbox"/> 1, induction training <input type="checkbox"/> 1, after identifying the kind of training the person needs <input type="checkbox"/> 2 <input type="checkbox"/> 3-4 <input type="checkbox"/> 5 and more	

<p>23. Please, write down the average number of training hours of the employees in vulnerable groups by category per year</p>	<p>average number of training hours for the last year for employees under 25 years of age</p> <p>average number of training hours for the last year for employees aged between 50 and 63</p> <p>average number of training hours for the last year for employed women after maternity leave</p> <p>average number of training hours for the last year for employees with disability</p> <p>average number of training hours for the last year for employees with primary education</p> <p>average number of training hours for the last year for employees from minority groups</p> <p>average number of training hours for the last year for employees after long term of unemployment</p>	
<p>24. List the programs for skills management and life long learning in your company that support the employability of the vulnerable groups and support them in the management of their careers , please</p>		
<p>25. Percentage of the employees from vulnerable groups that regularly receive assessments for their performance and career development</p>	<p>% have received regular assessments for their performance and career development</p>	<p>% from the total number of employees from vulnerable groups</p>
<p>26. Percentage of the employees from vulnerable groups that have received any form of promotion</p>	<p>% have received any form of promotion</p>	<p>% from the total number of employees from vulnerable groups</p>
<p>27. How many disciplinary measures of the staff from vulnerable groups have been imposed for the last 3 years</p>	<p><input type="checkbox"/> none</p> <p><input type="checkbox"/> 1</p> <p><input type="checkbox"/> 2</p> <p><input type="checkbox"/> 3-4</p> <p><input type="checkbox"/> 5 and more</p> <p>total number of the disciplinary measures in the company for the last 3 years</p>	
<p>28. If you have collective bargaining or other form of negotiating with the employees, what is the percent of the employees from the vulnerable groups that participate in the negotiations?</p>	<p>% of employees employed from the vulnerable groups that participate in the negotiation group during negotiations with the management of the company</p>	

<p>29. What are the practices, that include representatives from the vulnerable groups in different informal forums for consulting, polling, decision making in your company?</p>	<input type="checkbox"/> Working Conditions Committees/Groups <input type="checkbox"/> Collective bargaining <input type="checkbox"/> Workers councils <input type="checkbox"/> other..... <input type="checkbox"/> other..... <input type="checkbox"/> other..... <input type="checkbox"/> representatives of vulnerable groups do not participate in such forms	
<p>30. What percent of the employees from vulnerable groups participate in different representative forums of the employees</p>	<p style="text-align: center;">% of the employees from vulnerable groups participate in different representative forums of the employees</p>	
<p>31. What is the participation of the vulnerable groups in different formal and informal forms of social life in the company?</p>	<p>participate in .....</p> <p>participate in .....</p> <p>participate in .....</p> <input type="checkbox"/> they do not participate in any formal and informal forms of social life in the company	
<p>32. Do they participate in programs financed by the government, European Union or other external donors which are aimed for the employed from vulnerable groups in your company?</p>	<input type="checkbox"/> No <input type="checkbox"/> Yes Please, describe	For example: subsidized employment, trainings, improving the working conditions, re-qualification, etc.
<p>33. What activities, that concern the vulnerable groups, are financed by internal sources?</p>		See the above note
<p>34. What internal and external resources are allocated to the vulnerable groups</p>	<p style="text-align: center;">BGN - external finances BGN - internal finances</p> Material external resources: ..... ..... Material internal resources: ..... .....	Material resources – e.g. vehicles, communication devices, etc.
<p>35. What is the most discussed issue (complaint) among the staff from vulnerable groups on the labour market for which you have information?</p>	<input type="checkbox"/> about the salaries <input type="checkbox"/> about the social insurance contributions <input type="checkbox"/> about different cultural habits <input type="checkbox"/> about the working hours	



	<input type="checkbox"/> about the working conditions (outfit, equipment, temperature, etc.) <input type="checkbox"/> about other colleagues <input type="checkbox"/> about other companies in the region <input type="checkbox"/> I am not interested in what is discussed among the staff during their free time	
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## **5. Main monitoring and assessment tools**

The monitoring and assessment tools are selected on the basis of the best manuals, guidelines and recommendations used by prominent international and European organizations.

### **5.1 Interviews with employees**

Employees interviews are a crucial part of the monitoring process. They are used to corroborate the results of the document review and the details given by the management. They allow for the direct gathering of information from the people which the labour standards are supposed to protect. The interviews are used to focus on aspects for which no evidence has yet been provided but where clarification is necessary or to underscore an estimate which has been made. Employees interviews require great care and sensitivity to local conditions, and must always be conducted in a manner that ensures that employees will not face retaliation or other negative consequences as a result of their participation in interviews.

The following presents guidance on general interviewing techniques and practices that provide a framework for the Monitor to implement the employee interviews.

**Safeguard Employee Confidentiality and Security:** All reasonable steps should be taken to ensure that the interview process does not compromise the safety or job security of the employee. At a minimum, monitors must ensure that the interview process is conducted in a confidential manner.

Monitors shall conduct confidential interviews in a manner that ensures that employees will suffer no adverse consequences as the result of the interviews by communicating the confidential nature of the interview, communicating that retaliation as the result of the interview is not permitted, and using interviewers who are most likely to gain the trust of employees.

Monitors should inform employees that the interviews are confidential and that the information will neither be attributed to them, nor provided to management without their permission. In the case of informal conversations between monitors and employees on the work place, monitors shall take precautions that will safeguard the employee.

In addition, monitors should provide no information which could lead to the identification of specific employees as the source of information that could cause retaliation against the employees interviewed. In the event that the monitor needs to gather additional information to corroborate or disprove information received in the interview process, the monitor shall gather this additional information in a manner that protects the identity of the employee interviewed.

### **Location of Interviews:**

Interviews should be conducted in a location that makes the employee comfortable and which does not raise the possibility that the employer will subject the employee to retaliation.

- Monitors must have access to employees on a confidential basis on or off organisation premises.
- Interviews should be conducted outside the presence of organisation managers. This does not, and is not intended to preclude asking routine questions of employees on the organisation floor. It is intended to ensure that employees are protected from retaliation for statements made during interviews with monitors. Interviews conducted off site should be conducted so that organisation managers do not gain information about which employees have been interviewed.
- A range of locations can be used to ensure that employees speak freely. On-site locations include informal conversations in the production area of the organisation floor, the cafeteria/dining area at meal and rest breaks, the area just outside the organisation as shifts end, other common areas, and locations on site that allow for employees to be interviewed without observation by organisation management.
- In some circumstances, especially piece-rate situations, employees may lose compensation if they are required to participate in extensive interviews during work hours. Monitors should take all reasonable precautions to ensure that the interview process does not result in lost wages.
- Issues raised during employee interviews should be cross-referenced with other interviews and organisation records.

### **Selection of Employees to Interview:**

Monitors should interview an appropriate and representative sample of employees. In developing this sample, monitors should consider, among other factors: the overall number of employees interviewed, the section of the organisation from which interviewees are selected, and the demographic distribution of employees to be interviewed.

The selection of employees to interview also should be considered carefully. Monitors should have discretion in choosing which employees are interviewed. Under no circumstances should management play any role in the selection of employees to be interviewed.

Monitors should make a determination of what constitutes a representative sampling in a given organisation. For example, in general it does not make sense to interview only employees on a particular division, only female employees, or only from the vulnerable groups although this is the target group of the current methodology. In determining what constitutes a representative cross-section, the monitor should consider a variety of factors, including: a cross-section of functions or sections of the organisation; risk presented in certain operations/functions; need to validate/disprove information gathered through other monitoring activities; and issues identified by outreach to external information sources.

In addition, other monitoring activities may lead monitors to select particular employees, or categories of employees, for interviews. In making this determination, Monitors may consider indicators, including: (1) employees in an ethnic, racial, national origin or other group that is often disadvantaged in the workplace locally; (2) migrant employees employed under labor

contracts; (3) members of a trade union; and (4) employees engaged in particularly hazardous manufacturing processes. However, monitors should not interview only those employees who are at disadvantage; a cross-section should be interviewed to provide a full picture of workplace practices.

Monitors should interview a sufficient number of employees to provide confidence that an accurate picture of workplace practices is obtained. The monitor should begin with a sample based on the following framework, and should adjust the number based on information received from local organisations, information gathered through other techniques in the organisation, and the need to corroborate or disprove findings from other sources. For example, if conflicting information arises about pay practices, it may be necessary to speak with more employees.

A recommended sample size is 8-10% of the total workforce and at least 60% of the identified members of vulnerable groups. At least half of the interviews should be individual (face-to-face) and half might be in group interviews.

### **Interview Techniques:**

Monitors should use broadly accepted interview techniques. This includes avoidance of practices that may undermine the interview process by compromising the employee's trust in the interviewer. Several techniques, such as asking open-ended questions, are generally considered to contribute to effective interviews. These should be applied to the maximum degree possible.

Ask open-ended questions that do not provide any clues to employees of how they "should" respond. Monitors should allow employees to respond to neutral questions that do not lead to one answer or another.

However, if employees raise issues that may indicate deviance from CSR standards or vice versa, it will be useful to focus their answers so that allegations are sufficient to permit either corroboration or disproving.

Monitors should take care to use language that is easily understandable to employees, rather than words that may confuse.

- Ask employees to describe situations that they have encountered, as well as issues related to compliance with the CSR practices that they may have observed elsewhere in the organisation. In some circumstances, employees may be more willing to describe good practice or non-compliance affecting others than they will be to address issues they themselves face.
- Monitors should be sensitive to "non-verbal clues" such as employees looking away from the Monitor, employees who do not answer particular questions, or employees who laugh nervously when certain topics arise. Monitors should determine in advance whether there are certain non-verbal clues they are more likely to encounter in a specific location.

- If employees appear to be focusing on specific topics, it is useful to follow that lead and seek more detailed information. If there are issues that are identified by external sources that are of particular concern, these might be worth focusing on, although they may have such sensitivity that alternative means of information gathering (e.g., off-site interviews) may be useful.

### **Focus on Issues of Particular Importance:**

While employees should be given the opportunity to raise issues of particular importance, it is also necessary for monitors to use the interview process to focus on issues of particular importance in the local area, as well as to gather information that corroborates or disproves possible findings resulting from other information gathering techniques. These issues may be identified through other organisation findings, meetings with knowledgeable local institutions, or relevant experience in the location of the organisation.

### **Analysis and Synthesis of Information:**

The monitor shall take the information gathered from the interviews with the full sampling of employees and analyse it in light of information gathered from the other monitoring techniques. Based on the information gathered through employee interviews, in general it may be necessary to gather additional information, either through further interviews, additional concentration on other monitoring techniques, or by seeking information to corroborate or disprove the information gathered.

Interviews should be conducted with an eye to discovering issues or to corroborating findings from other monitoring activities. If interview results confirm findings of other monitoring practices, there is a good evidentiary basis for conclusions.

Employees involved in interviews also should be part of the other information gathering processes. For example, it will be valuable to check the payroll records or personnel file for a employee involved in an interview. This will permit the cross-checking of information to determine inconsistencies that may indicate non-compliance.

Check whether employees describe similar situations consistently. If not, this could indicate either non-compliance, confusion or, in some circumstances, pressure from the employer to provide a certain answer.

## **5.2 Interview with Management**

Management interviews offer the monitor necessary information which, together with information from a variety of other monitoring sources, gives the monitor the ability to make informed assessments of organisation compliance with the prominent CSR practices. Management interviews also provide the monitor with an understanding of the policies and practices guiding the operations of the organisation related to some CSR practices. Like other aspects of monitoring, interviews with management alone do not give the monitor sufficient information or objectivity to conclude that the organisation meets some CSR practices.

As a monitor investigates CSR practices, the monitor will need to consult with management in much the same way as the monitor may conduct repeated employee interviews or observations. The guidance provided in this section is substantially the same as stated in the previous section..

### **Opening Meeting with Management**

There is always a need for an initial management interview for a number of purposes, including:

- to observe business courtesy;
- to introduce the participants of the monitoring team;
- to establish the requirements of the monitoring team, including full access to all relevant documents, production facilities, dormitories and kitchens and to employees for the duration of the site visit;
- to review organisational policies and procedures related to implementation of the any CSR practices especially dealing with disadvantage groups at the labor market.
- to receive an orientation of the physical site; and
- to obtain assurances from organisation management that no retaliatory steps will be taken against employees who speak to Monitors.

Initial contact with organisation management may begin before the monitoring site visit commences to communicate the purposes of the monitoring inspection and the expectations monitors will have of organisation management about the monitoring process. Care should be taken, however, to insure that this contact does not compromise the monitor's ability to conduct confidential employee interviews.

### **Process Interviews**

Subsequent management interviews will occur in the context of the monitoring exercise. For example, interviews with production managers are required in order to access production facilities, dormitories, kitchens and employees and possibility gain clarification of conditions affecting employees. Interviews with health and safety officers, if any, may provide useful information about issues raised during visual observation exercises or employee interviews.

### **Closing meetings**

On completion of the site visit, monitors shall extend basic courtesies to management by scheduling a final meeting with organisation management. In this meeting, monitors have a final opportunity to gain clarity on organisation CSR policies and practices, particularly when there have been instances in which monitoring activities have uncovered conflicting information or evidence. As well, the exit interview is the opportunity for monitors:

- to acknowledge the cooperation of the organisation management in providing relevant information and access to facilities and employees;
- to reiterate the purpose of the site visit and provide a summary of findings.
- to explain that, the monitor will provide the organisation with a standardized report on the organisation's CSR level of excellence.

### **5.3 Review of documents**

The monitoring process under the methodology requires that information gathered from an evaluation of organisation records be included. The methodology states that independent external monitors:

- be given independent access to all production records and practices and wage, hour, payroll and other employee records and practices of company factories and contractors and suppliers;
- conduct independent audits, on a confidential basis, of an appropriate sampling of production records and practices and wage, hour, payroll and other employee records and practices of the organization especially those related to the target group;
- records review is conducted for a number of purposes, which include gathering information regarding wages and benefits, discrimination, harassment or abuse and safety; monitors must be able to determine that record keeping meets legal standards and is sufficiently complete to support monitoring activities.

#### **Records Availability**

It is necessary that employers make available a variety of documents for review by monitors. The presence, sophistication and extent of available documentation will vary tremendously, given the size, location and resources of the factories. Monitors will have to make judgments concerning the adequacy and availability of records. To the extent they are appropriate, employers must make available all requested records and documents.

#### **Records Availability (discrimination, freedom of association and participation, training and promotion practices):**

Common required records include but are not limited to:

- employment contracts
- collective bargaining agreements
- grievance files
- disciplinary notices
- personnel files
- policy manuals
- procedures manuals.

#### **Records Availability (Hours of Work; Wages, Benefits, and Overtime Compensation):**

Some records to be monitored are:

- time cards for all employees;
- payroll journals showing base wages, incentive or bonus earnings, hours, deductions, net pay and gross pay;
- all piecework rates and piecework calculations (or other incentive system rates and calculations – base plus, attendance bonuses, quality incentives, etc.);
- payroll deposit slips, payroll checking account ledgers and deposit receipts for tax and benefit deductions;
- payroll tax calculations, records and reports;

- personnel files that might indicate job grades, payroll rates, job classifications, etc.

### **Familiarisation:**

Prior to reviewing records, monitors must familiarize themselves with the procedures and systems that generate the records. Once that has been done, the monitor should determine the sample size for various types of records – in general it should correspond to the sample size of the employees interviews.

### **Preliminary Activities:**

In reviewing or analysing records, monitors must:

- Review personnel records and determine whether there are individuals or groups who are defined or classed differently or placed in different wage categories (especially in relation to vulnerable groups and low wage). Any findings should be followed-up by employee interviews and management interviews.
- Review job announcements to see whether any inappropriate criteria are applied in the hiring process – especially such related to vulnerable groups.
- In cases where discrimination is suspected, compare records of “similarly situated” employees to determine whether employment decisions are made on the basis of job-related considerations or discriminatory basis.
- Review any written policies or guidelines to verify objectivity.

## **5.4 Site Inspection**

Visual observation of the physical structure of the organisation complex, including production rooms, dormitories, canteens and cafeterias (if applicable), provides another basis for the Monitor to make informed judgments about the presence of CSR activities concerning marginal groups at the labor market. Visual observation can be performed on an announced or unannounced basis.

### **Non-Discrimination**

- Assess whether the demographic nature of the workforce is significantly different than those in other similar facilities in the area. If there are substantial differences, this may indicate a need to determine the possibility of discriminatory practices.
- Determine whether disadvantaged groups (or other groups) appear to predominate in particular jobs. While this may possibly simply reflect cultural practices rather than discrimination, it may also indicate, though not prove, that certain groups are channeled into certain positions, notably low-paying jobs.
- Check to see whether pregnant women are present. In locations where the presence of pregnant women is likely given the workforce and local cultural norms, their absence could indicate pregnancy discrimination.
- Check to see if regulations barring discrimination are prominently posted where employees can read them.

## 5.5 Analysis and Reporting

The monitoring team must analyse the information gathered as discussed in previous sections of this document. The monitors must then compare and contrast information received from external sources and internal sources including employee interviews, management interviews, record reviews, general visual observation and observation of health and safety conditions. Testimony, policies and documents must be cross-checked against visual inspection and actual practice. Conflicting findings must be sorted out through reiteration and further analysis.

Monitors must thoroughly and objectively sift through a large body of information and make sound, unbiased judgments concerning CSR practices presence.

## 6. Assessment benchmarks

### 6.1 Benchmarks assessing marginal groups at the labor market within the employment structure of the company

**GENERAL PROVISION:** People with disabilities should be presented in the company's employment structure if the local labor market has such representatives

**Indicator E.1** Number and share of employed at disadvantage – generally, by employment type, employment contract, positions (management and supervising ones)

**Benchmark 1:** Presence of employees at disadvantage in the company including under different types of employment, contract, and positions could be evidence for certain level of excellence;

**Benchmark 2:** Missed opportunities to have employees at disadvantage in the company based on the disadvantage status of the people could be evidence for low performance in terms of integrating practices.

**Indicator E.2** Total number and rate of disadvantage employee turnover by age group, type of disadvantage

**Benchmarks:** Disadvantage employees turnover should be comparable with the rest of employees' one. If not the case, the reasons for the difference do not have to be explained by the disadvantage status of the personnel.

**Indicator E.3** Tenure of employment with same employer by disadvantaged employees

**Benchmark:** Average tenure of the disadvantage people within the company should be comparable with the tenure of the rest of the employees



## **6.2 Benchmarks for Non-discrimination practices of the companies**

**GENERAL PROVISION:** No person will be subject to any discrimination in employment, including hiring, salary, benefits, advancement, discipline, termination or retirement, on the basis of a disadvantage status.

**Indicator D.1.** Employer's compliance with all local laws, regulations and procedures concerning non-discrimination.

**Benchmark:** Employers shall comply with all local laws, regulations and procedures concerning non-discrimination.

**Indicator D.2** Differentiation of salary and benefits on the basis of disadvantage status

**Benchmark:** There shall be no differences in remuneration for disadvantage and other employees for work of equal value. Remuneration (wages, compensation) includes the basic minimum or prevailing industry wage and any additional payments to be made directly or indirectly, whether in cash or in-kind, by the employer to the employee and arising out of the employees' employment. Such additional payments include wage differentials or increments based on seniority or marital status, cost of living allowances, housing or residential allowances, family allowances, benefits in-kind such as the allotment and cleaning of work clothes or safety equipment, and social security benefits.

**Indicator D.3** Number of practices of promotion/advancement

**Benchmark:** All employment decisions for promotion shall be made solely on the basis of a person's qualifications, in terms of education, training, experience, demonstrated skills and/or abilities, as they relate to the inherent requirements of a particular job.

**Indicator D.4.** Number and magnitude of disciplinary actions towards representatives of marginal groups on the basis of disadvantage status

**Benchmark:** All employment decisions for disciplinary actions shall be made on the basis of persons professional behavior on the job place

## **6.3 Benchmarks for assessing labor to management relations**

**GENERAL PROVISION:** Employees at disadvantage should be presented in all forms of collective bargaining as well as in forums in counseling, advising and other decision making in the company

**Indicator LM.1.**Percentage of employees at disadvantage covered by collective bargaining agreements

**Benchmark 1:** Presence of marginal groups' representatives participating in collective bargaining agreements will be considered as a level of excellence.

**Benchmark 2:** Marginal groups' representatives do not have to be excluded by existing collective bargaining agreements in the company based on their disadvantage status.

**Indicator LM.2.** Number of practices (cases) including marginal groups' representatives for counseling, advising and other decision making forms

**Benchmark 1:** Presence of marginal groups' representatives participating in counseling, advising and other decision making forms will be considered as a level of excellence.

**Benchmark 2:** Marginal groups' representatives do not have to be excluded by existing counseling, advising and other decision making forms in the company based on their disadvantage status.

## **6.4 Benchmarks for assessing employees to employees relationships**

**GENERAL PROVISION:** Employees at disadvantage should be presented in all forms of employees representative forums as well as in formal and informal social life of the company

**Indicator WW.1** Percentage of employees at disadvantage participating in employees representative forums

**Benchmark 1:** Presence of marginal groups' representatives participating in employees representative forums will be considered as a level of excellence.

**Benchmark 2:** Marginal groups' representatives do not have to be excluded by existing employees representative forums in the company based on their disadvantage status.

**Indicator WW. 2** Participation of marginal groups in formal and informal social life in the enterprise

**Benchmark 1:** Presence of marginal groups' representatives participating in formal and informal social life will be considered as a level of excellence.

**Benchmark 2:** Marginal groups' representatives do not have to be excluded by existing formal and informal social life in the company based on their disadvantage status.

## **6.5 Benchmarks for assessing the involvement of marginal groups in training and education activities**

**GENERAL PROVISION:** Employees at disadvantage have to receive the same quality and quantity of trainings and education as the all officials of the company despite their disadvantaged status

**Indicator TE.1.** Average hours of training yearly per employee by personnel category including marginal groups

**Benchmark:** There should be no significant difference between the training hours of the marginal groups and the rest of the employees compared also by type of trainings and type of employment category

**Indicator TE.2.** Programs for skills management and lifelong learning that support the continued employability of employees at disadvantage and assist them in managing career endings

**Benchmark:** Presence of programs for skills management and lifelong learning that support the continued employability of employees at disadvantage and assist them in managing career endings

**Indicator TE. 3.** Number of employees at disadvantage participated in company's trainings

**Benchmark 1:** Marginal groups should be included in the trainings provided for company's employees.

**Benchmark 2:** The number of employees at disadvantage per employment category should be comparable with the numbers of the rest of the personnel broken down also by type of training

## 6.6 Benchmarks for co-financed CSR activities regarding marginal groups

**GENERAL PROVISION:** CSR type of activities especially towards marginal groups should be an integrated part of the corporate strategy and life of the company

**Indicator F.1** Number of CSR activities regarding marginal groups financed by external sources

**Benchmark:** Presence of CSR type of activities regarding marginal groups financed by external sources will be considered as evidence for good performance

**Indicator F.2** Number of CSR activities regarding marginal groups financed by internal sources

**Benchmark:** Presence of CSR type of activities regarding marginal groups financed by internal sources will be considered as evidence for excellent good performance

**Indicator F.3** External and internal sources allocated to marginal groups

**Benchmark:** 5% of the labor costs allocated to CSR activities targeting marginal groups will be high level of excellence

## 6.7 Benchmarks for career development of marginal groups representatives

**GENERAL PROVISION:** People at disadvantage should be reviewed and promoted on the same base as the rest of the personnel.

**Indicator CD.1.** Number and percentage of employees receiving regular performance and career development reviews

**Benchmark:** The average number and percentage of the employees at disadvantage whose performance have been reviewed do not have to differ from the numbers for the rest of the employees.

**Indicator CD.2** Percentage of employees at disadvantage who have been promoted

**Benchmark:** Presence of employees at disadvantage who have been promoted. If not the case, the reasons for not being promoted do not have to be such based on their marginal status.

## ***7. Concluding remarks***

The proposed methodology aims at the following:

1. Finding out the situation with the implementation of CSR-related activities in the organisation.
2. Using the self-assessment approach at the first stage of the assessment process to give a sense of the atmosphere at the management level is achieved.
3. The following site visit and verifying the state-of-the-art of the dealing with marginal groups of the labour market to give the real situation and the balance between the notion about CSR - the self-assessment, and the reality – interviews, document review and walk-through.
4. A continuation of the proposed methodology is:
  - Development of improvement actions for achieving the desired level of excellence. The set of actions should be fully-fledged improvement action plan, based on feedback from Self-Assessment and initial site-visit against a CSR Excellence Model. The action plan should be developed by the organisation with the help of experienced and trained CSR expert;
  - Appropriation of relevant certificate in the case of successful achievement of this level, to be used by the organisation in their strategic and operational efforts.

In developing of this Methodology the experience, manuals and guidelines of several renowned international and European organizations were used – the Fair Labour Association, the Fair Wear Foundation and the Business Social Compliance Initiative and others. The experts who have worked on the Methodology – Dr. Dimitar Matev and Mr. Yordan Dimitrov highly appreciate the vast accumulated experience of these organizations transported into formalized manuals for auditing and considered a solid basis for collecting reliable information and deriving proper conclusions.

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