



EMPLOYERS'  
ATTITUDES TO  
EQUAL OPPORTUNITIES  
POLICIES FOR WOMEN AND MEN  
HANDBOOK

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POLICIES FOR WOMEN AND MEN: HANDBOOK  
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**QUAL OPPORTUNITIES  
– A GOOD OR BAD  
INVESTMENT?**

H. Velíšková

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When discussing equal opportunities, companies often argue that the systems and relevant support tools are too expensive. Moreover, many managers are worried about more paperwork and increased labour organisation requirements. Are such worries legitimate? Do equal opportunities indeed cost a lot of time and money? It might seem so at first sight. But why are the companies that promote equal opportunities usually those that are renowned for the emphasis they put on cost-cutting, high labour productivity and process efficiency? Could equal opportunities be an investment that does pay off to companies financially after all?

## Equal Opportunities That Sell

You might think that a company that has good profits can afford to spend more to advertise or boost their company image. But is it not the other way round? Surely advertising should translate into higher profits, and a good company image should be a prerequisite for a good return on investment, should it not? Today, with such a wide range of services and products of comparable quality, customers often make their choice based on the brand they like. And history abounds with examples of well-targeted advertising campaigns taking an unknown company to the top worldwide.

The question remains, however, whether equal opportunities are attractive enough so as to boost the company's popularity with customers. Many companies believe they are, since emancipation and diversity are distinctive features of today's world, appealing especially to young people. Quite a few years ago, Benetton successfully harnessed this trend, venturing into a billboard campaign featuring pictures of people with different skin colours hugging each other. Recently, Dove brought a breath of fresh air into cosmetic products advertising, as it went against the universal image of anorectic beauty and cast lovely plump girls and elderly ladies in a campaign. They hit the mark in conveying that the unattainable ideal, as presented traditionally, is, for quite a lot of female customers, more irritating than anything else. After all, most women want to feel attractive regardless of a few extra wrinkles or pounds.

## Products Tailored to Suit the Customer

Likewise, there are companies that have assumed equal opportunities, not only as the underlying concept of their advertising campaign, but also as product development. One of the most interesting examples is the "Your Concept Car" project, or YCC, launched by Volvo. It all started with the idea to create a car targeted primarily at the fastest growing customer group – progressive and successful women. To tailor the car exactly to the customers' needs, an exclusively female team was charged with development, collecting additional opinions, experiences and comments from 400 other female Volvo Cars employees. The result was well worth the effort. The team managed to design a car with many sophisticated details that make it very user-friendly, and not only for women. **"After the debut in Geneva, we did 200 interviews a day,"** says Camilla Palmertz, one of the project managers, describing the enormous response the new car met with.

Do you now imagine YCC to be a small, cute toy car? Wrong! That is what a typical "second" family car was traditionally meant to look like, used mainly by housewives for shopping or taking the kids to school in the neighbourhood. But the role of women is changing. When the car was revealed last year at the Geneva Motor

Show, many people were surprised to see a noticeably sporty car. As Camilla Palmertz puts it, **"Women are not the same as they were 20–30 years ago. They have children later and combine career and family. They also remain active until much later in life. Also, children are only small for a relatively short period. YCC has to reflect the active lifestyle of modern women and meet the customers' needs throughout their lives."**

## Mixed Teams Perform Better

The YCC project could never have become reality had Volvo Cars been unable to put together an exclusively female team of top-range specialists and entrust them with development work on a new product. As the example shows, women have begun to conquer important positions even in environments that used to be traditionally male, such as the car industry. Many organisations try to actively support their female employees' career growth to ensure a long-term increase in their top management representation. On the other hand, in typically female sectors, such as education, there are efforts to attract as many men as possible.

It does make sense. Most people will agree that it is more pleasant to work in a mixed team as opposed to an all-female or an all-male group. But diversity in the work team does not only make the individuals feel better; it has an important beneficial effect on overall work performance. A convincing proof was presented by Meredith Belbin, a prominent team management guru of the last century, who defined 8 basic roles needed for the optimum working team performance. He supported his arguments with the results of long-term tests carried out on hundreds of work teams, showing clearly that heterogeneous teams had considerably more success in tackling the same task than teams composed of similar individuals (e.g. teams composed only of leaders or analysts).

## The Right Choice is Key

The fact is that every project involves a variety of steps that require individuals with different talents and temperaments. Gabriela Kotoučová, HR manager at Conoco Phillips, says: **"In recruitment, managers should not only take the professional knowledge of the candidates into account, but also factor in their personal skills and nature. They should think about what kind of people the department needs and they should not create 'monochrome' teams where the subordinates are little clones of their boss. It may seem to be the easy way, because it's easier to deal with similar people, but then the team may lack some substantial skills. What usually happens in such situations is that a poorly performing team is a setback for the whole company."**

But how do you know what candidates have the skills you need? Experienced HR managers agree that an ordinary interview based on the CV is rather unreliable. It gives the applicants too much leeway for distorting or hiding the facts, while the managers are free to form superficial judgments about people in the light of their personal opinions or stereotypes. Therefore, organisations with elaborate HR processes tend to use practical and psychological tests, assessment centres or special competence interviews. Does it pay off for the companies to invest in such methods? **"Definitely. These procedures are not much more time-consuming, and if the recruiters are well-trained, a lot of things can be done internally. In any case, choosing the wrong person costs much more time and money, and can be detrimental to the motivation of the current employees. I would not recommend taking such risks, especially where manager positions are at stake,"** says Gabriela Kotoučová.

## Diversity Requires Good Management

However, putting together heterogeneous teams that include people of various age groups, backgrounds, values and work approaches requires excellent managerial skills on the part of the team leader. The leader must not only be able to communicate and deal with conflicts, but also to defend his or her leadership position. If a manager wants to be respected by subordinates, who are markedly different, who may even outperform the manager in some respects, he or she must try much harder to gain recognition and authority. The same applies to colleagues at the same level.

Situations that defy traditional patterns are particularly demanding, such as a young manager in charge of considerably older subordinates or a female boss in a male team. **"Not by a long chalk can every boss handle this kind of pressure,"** observes Tomáš Hajzler, managing partner at PeopleComm, a company involved in manager training. **"Weak or immature managers usually take a much more authoritarian approach, possibly firing the main 'rebels' (who usually are the strongest, and hence the ablest individuals in the team). Unfortunately, they sometimes dig their own grave – the fact is that their own results often depend on how good their team is."**

Similarly, flexible work schedules (such as working from home, flexi-time, part time or alternate times), usually provided by diversity-conscious companies to their employees, require more focus on the part of the manager, especially as regards work organisation and activity planning. But there is more. Heading a team whose members often work outside of the office is a test of the manager's abilities to motivate, control and coordinate information flows. Therefore, it seems that companies that actively promote diversity and equal opportunities must recruit and train better managers. And this in turn is beneficial for the overall organisational performance.

## Diversity as a Competitive Advantage in Recruitment

Let us take another look at equal opportunities as a good selling point, focusing on recruitment this time. You may have noticed that some companies like to point out in their ads or on other occasions that they are employers promoting diversity and equality. These organisations usually care for life-work balance and in addition to flexi-time and part-time work or working from home, they offer family-oriented benefits, such as a crèche or a kindergarten in the workplace, babysitting allowances or allowances for employees providing care for a disabled person.

Can this help them attract higher-quality candidates? Of course! There are lots of excellent professionals who need an employer with an employee-friendly approach because of their current family-related or other personal situations. If they get no help from their present employer, they go elsewhere. And quite probably, they will stay there even after their situation has changed and they can work standard working hours again. It should therefore be remembered that not only employers, but also candidates, are picky and they do care about their working environment and the people they are to work with.

Paki Holvander, diversity manager at the Stockholm area local council in Norrtälje, notes: **"Focusing on diversity is, among others, a way for us to make the work at our local council more attractive for young people. The average age of our staff is too high. We need more people with fresh and original ideas. But nowadays, these people do not look for job security and peace that used to make the public sector appealing. Quite the con-**

trary. They are attracted by dynamic and diverse companies where a lot is happening and where they can learn new things quickly. If we want to hold our own against our competitors in the labour market, we must have things to offer."

## A Practical Example

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Is it possible to quantify financially the benefits of introducing equal opportunities? Of course it is, provided that you measure specific input and output data, as in the following example from a company that let us have a look at their processes but did not wish us to disclose their name. The company managed to get rid of the so-called "glass ceiling", a barrier preventing talented women from being promoted. The issue concerned the lowest organisational level with about 500 employees, mostly young secondary school leavers with no substantial work experience. They did rather dull work for low pay, so they naturally wanted a better job. But whenever the company looked for a candidate for the position just above them, which happened a few times a year, they always picked them from the outside.

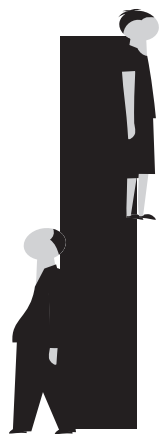
Therefore, the human resources department decided to step in. **"We simply did not believe that among almost five hundred administrative staff members, there was not even one suitable junior manager candidate,"** says the company's HR manager at that time to describe the situation. **"That's why we initiated a project to improve their chances of being promoted. Using an assessment centre, we chose ten talented women who then went on to a comprehensive one-year long training programme. The result was better than expected: within a year, all of the selected employees got interesting jobs at higher ranks in the company!"**

And what about the financial benefit in figures? The overall recruitment cost savings were quantified as 650 thousand CZK a year. For one thing, there was no need to advertise externally for higher ranking positions, and for another, the recruitment costs for administrative staff positions were reduced, because the people working at the lowest ranks got the message about the company providing scope for personal growth. As for the project costs, they amounted only to 150 thousand CZK for the external assessment centre; the rest of the training programme was covered by line managers and HR managers. We do not attempt to quantify their time, as it was saved by reducing the recruitment volume, too. **"So we saved half a million CZK a year, while increasing the motivation of the basic level employees,"** the HR manager concludes.

## Return on Equal Opportunities Investment

From all the above-mentioned examples, it is apparent that enhancing company processes to promote diversity and equality is not so much about big financial investment or increased paperwork, but about personal commitment and the will to make things better. A principle to remember is that people will not change their attitudes overnight, and therefore it takes time to explain the benefits of the changes to be introduced, or (as it may be the case when implementing relatively complex recruitment and selection methods) to train managers in using the new procedures in practice.

The time spent will pay dividends in the form of a smoother and better functioning process. As British Health Secretary Patricia Hewitt says, **"Equal opportunities are not only a matter of political correctness. They are about common business sense."** And this is precisely why all companies that want good results in the long run should bear equal opportunities in mind.



# INTEGRATING GENDER EQUALITY PRINCIPLES IN HR POLICIES WITHIN ORGANISATIONS

K. Pavlica

This paper elucidates reasons and methods for a gradual integration of gender equality principles into the life and HR policies of companies. While it is meant primarily for HR managers, one of its wider-ranging objectives is to help overcome the general scepticism felt by many Czechs as regards discussing and solving issues related to equality between women and men. As such, this paper is based mostly on foreign practice – the experiences of many prestigious foreign companies (such as Siemens, AstraZeneca, Motorola, Deloitte & Touche) are a clear proof that an active approach to gender issues does “pay off” for companies (despite initial uncertainty and costs). In other words, in addition to general human rights and ethical principles, attempts to promote equal opportunities for women and men in organisations can be based on concrete economic arguments.

The whole process involving a gradual change of the organisation into a company providing women and men with real (not only formal) access to all resources and opportunities without any gender discrimination against employees can be, in Czech conditions, described as a cycle comprising six basic steps:

- ▶ Prepare psychologically and change your personal attitudes
- ▶ Gather convincing reasons for making changes
- ▶ Decide that changes are needed and launch an awareness-raising campaign
- ▶ Carry out a gender audit in the company
- ▶ Propose and implement specific measures and changes
- ▶ Assess the results achieved by the changes

## I. Prepare psychologically and change your personal attitudes

Success in implementing changes regarding male-female relations in companies based in the Czech market depends, to a large extent, on the will and often on the courage of the given person or a group of people sharing similar ideas. In fact, it is all about admitting that despite the predominant atmosphere and opinions prevailing in the company (and society), the gender relations situation does not necessarily need to be either at its best or trouble-free. In practice, the initiative should be on the part of HR managers.

From my own research and teaching experience, I know that many Czech managers and employees, both male and female, feel that relations between women and men are equal and adequate. Usually, they point out the “fact” that in career matters, it is all about the given individual and his or her motivation, ambition and skills. The extremely low female presence at higher management levels is generally understood as a natural phenomenon due to different preferences and the childcare and family responsibilities assumed mostly by mothers.

At the psychological preparation or own internal preparation stage, the manager must embrace the new perspective in looking at gender relations’ issues. At the same time, it is advisable to avoid any personal and distracting conflicts or arguments with people maintaining the “majority” position. A much more useful thing to do instead is to spend your time studying relevant documents and information from various sources that may be accessible (Czech and foreign research and case studies), while at the same time making a preliminary assessment of the situation in the given company and trying to join forces with like-minded people.

## II. Gather convincing reasons for making changes

Mobilization, study and learning activities at the psychological preparation phase should result in the gathering and systematic arrangement of arguments providing a convincing proof of the need and usefulness of the potential changes for the company. The arguments and reasons to be presented must be processed to produce a comprehensive proposal for a new strategic project for HR activities and organisational policies. A draft proposal should be consulted with the company top management in advance. The preliminary discussion should include an agreement on when would be a good time to present and defend the project (for example, it would definitely not be a good idea to introduce it as the last point at a demanding, all-day meeting).

No substantial change can be pushed through only by appealing to people’s morality and conscience. Therefore, it is necessary for the originator(s) of the new gender relations policy in the HR department to prepare and submit mainly such arguments that are supported by practical facts and show clearly what effects changes in gender relations can have on the company. The arguments can be roughly split into several categories:

### Using the principles and basic ideas of diversity management.

Gender issue solving is part of a more general trend known as “diversity management” in HR. Its main objective is to build an organisational environment in which nobody is discriminated against just for being socially different (race, ethnicity, social class, gender) and/or personally different (disability, age, sexual orientation) from the so-called “majority”. Diversity management-related findings show that work teams and organisations that allow various employee groups to be fully and equally involved actually open up possibilities to use a wide range of various experiences, opinions and attitudes. In this way, they become more flexible, more adaptable and more efficient in the long run than companies that ignore diversity issues. In organisations that are oriented towards efficient, diversity management, people learn to view variety and differences between people as the natural (and desirable) state of things. Therefore, such companies deal with conflicts having regard to the interests of all parties involved, not through a struggle for power. Accordingly, manifestations of undesirable rivalry, disrespect and intolerance disappear from the company.

### Work motivation and satisfaction.

Applied gender equality and diversity management principles have a substantial effect on the employees’ work motivation and satisfaction. It is not only that all workers feel generally safer and more secure in a non-discriminatory environment, but also that that these conditions have a beneficial influence on people’s ambitions and will to perform well at work. When employees see in their daily lives and at work that no person’s input is rejected or criticised in advance, they will develop a much more active and responsible approach to their duties and careers.

### A high-quality team of employees is shaped and stabilised.

Organisations can benefit from systematic care of and interest in gender equality policies even regarding the development and stabilisation of the employee team. Setting the scene for imple-

menting equal opportunities means not only using the professional and human potential of all employed women more efficiently, but also attracting more able and ambitious women from the region to the company. An active and gender-sensitive HR policy can therefore make it easier for the companies to find a solution to the problem faced by many companies looking for an answer to the question “Where can we find competent employees?”. According to statistics, the average education level of Czech women is higher than that of Czech men. Such data, though rough and general, show the potential that is still being wasted in the Czech Republic.

### Political arguments.

In the EU countries, the gender equality issue has been worked at systematically for a long time. Its principles have become an integral part of many important legal provisions and are promoted by various governmental and non-governmental institutions. Basically, political arguments convey the message that a company wishing to be successful in the long term and take part in interesting tenders must be able to prove its active approach to creating conditions for equal opportunities for women and men in all aspects of the company life.

### Positive impact on the organisation’s image.

As the preceding point suggests, a company committed to gender equality does not only display rational and efficient behaviour in respect of its employees, actual or potential, but also to its environment in general. As it becomes increasingly difficult for many companies to attract attention and arouse positive interest, having an equal opportunities policy can be a powerful marketing tool. A company showing clearly, be it materially (specific HR measures and initiatives) or symbolically (advertising, promotions, company leaflets, etc.), that gender equality is one of its strategic priorities, develops new opportunities for an original presentation in the media and wins favour with many women (such as customers, clients, partners). Another way to boost the company image involves participating and doing well in one of the recognized public contests, such as “The Best Company with Equal Opportunities in the Czech Republic” organised by Gender Studies, o.p.s., together with the Czech Ministry of Industry and Trade and the Czech Ministry of Labour and Social Affairs. There is probably no company management that would have any reason to feel ashamed about “their” firm joining the previous winners in the hall of fame – Hewlett-Packard, IBM, Oskar Mobil or PricewaterhouseCoopers.

The above-mentioned groups of arguments for implementing a policy promoting equal opportunities for women and men outline areas that are good to remember when defending the proposed project. In practice, it is advisable to complete these general statements with specific practical examples from the given company. The reasons presented should, moreover, reflect the specific situation and needs of the firm in question.

## III. Decide that changes are needed and launch an awareness-raising campaign

While steps 1 and 2 covered activities and commitment on the HR management level, step 3 is a task that should be assumed by the company’s top management. The stage consisting in gathering and presenting reasons was chiefly about not failing to remember the fact that every company is, above all, an entity displaying

a certain economic and pragmatic behaviour. However, at the present stage, it should be taken into account that HR managers usually do not have the influence, power and competence needed to persuade the company staff about the necessity of fundamental strategic changes. In other words, no new initiative or measure will ever become reality without the employees being able to see clear support and interest on the part of the top management. It is up to the management to convey its decision about the new strategic objective for the company’s HR and work policy to all employees, unambiguously and using various channels (orally, in writing, electronically...). Such a decision must not only be justified in a clear and convincing manner (see also step 2 above), but also broken down into specific implementation stages (see steps 4, 5 and 6 below). The employees have to know what will happen, and why and how it will.

## IV. Carry out a gender audit in the company

The main objective of the above-mentioned steps was to understand the basic principles of gender issues and draw up a framework project addressing relevant changes. At stage 4, the situation within the given company must be assessed and possible ways and methods for implementing gender equality worked out in more detail. A social audit, or systematic research aiming for a critical comparison between the status quo and the optimum situation that is to be achieved, is a fundamental tool for meeting the objective. The whole process can be broken down into internal and external research stages.

### Internal research.

This research stage should provide the management with quantitative and qualitative data about the status of women and men in the organisation. The following aspects of gender relations should be covered by quantitative methods:

- Statistic indicators for female/male pay.
- Percentage data on female representation across the organisational hierarchy, departments and individual positions.
- Statistics comparing female/male success rates in manager career training.
- Data on female/male turnover and absenteeism and the most frequent causes.
- Information on the use of alternative and flexible employment forms (if offered by the organisation).

While quantitative data are designed to provide a relatively pragmatic idea about the situation in the company, qualitative data should convey information on how women and men feel about the company and their position in it. Specifically, what is needed is information about the employees’ opinions about and satisfaction with the following aspects of company life:

- Evaluation of material and social working conditions.
- Access to development opportunities; perception of career possibilities and of future prospects in terms of working for the company.
- Satisfaction with the management style and support from superiors.
- Perceived recognition and respect level from the company and the management.

- Familiarity and satisfaction with the staff and staff performance appraisal system.
- Perception and evaluation of the remuneration system.
- Opportunities to influence the course of events in the company.

It is advisable to have professionals from outside of the company to collect and evaluate the quantitative and qualitative data – a seriously good piece of research requires knowledge of and experience with various methods. Moreover, the fact that the research is carried out by external experts increases considerably the probability of the research being objective, as well as the likelihood that the employees will be willing to participate actively.

### External research.

The gender relations analysis within the organisation should be followed by efforts to find out how other companies address issues relating to the position of women and men. In principle, the following procedure can be recommended:

- Choose an appropriate company (or several companies) for comparison. The choice should be made having regard to at least two criteria: the organisation should (1) have extensive, good experience of tackling gender issues and (2) be more or less similar to your company (as regards the sector or field, size, financial situation, etc.)
- Collect and evaluate data concerning the ways of addressing gender issues in the selected organisation.
- Identify good practices and methods that could be adapted to and used in the conditions of your company.

The selection of approaches that could be used to achieve efficiency in gender management should be carried out as cautiously as possible – things that work for one firm do not necessarily need to work for another. Therefore, the main focus here should be on understanding how and why the tools in question work (in the given conditions). Apart from specific companies, additional inspiring information can be drawn from the databases and research results of gender institutions (such as Gender Studies, o.p.s., or the Gender & Sociology Department at the Institute of Sociology of the Academy of Sciences of the Czech Republic).

## V. Propose and implement specific measures and changes

The audit should mainly result in proposals for specific practices and methods for gender management in the organisation that is being analysed. It is very important that the individual measures mesh together in a logical system. For example, the entire procedure could be as follows:

### Draw up a list of tasks and issues

that need to be tackled in the company.

### Prioritise and determine basic process strategies.

Not all issues discovered can be resolved at once. Impulsively addressing the most visible problems is a mistake that should be avoided, as they tend to be symptoms of deeper and more substantial shortcomings. On the other hand, the so-called quick-win strategy, consisting in small steps bringing clearly noticeable

results, is recommended, as it can support the general acceptance of the changes that are being introduced.

## Launch a communication campaign supported by the top management.

The employees must be informed about the: (1) audit results, (2) short-term and long-term gender management objectives, (3) prepared changes and measures, including relevant timetables, (4) expected forms of their involvement in the changes, (5) possibilities of their active involvement in specific initiatives and programmes, (6) sources of continuously updated information on the project.

### Run pilot tests.

Before introducing the proposed measures throughout the company, it is good to test them small-scale first (in a specific department, a selected plant branch, etc.). For the pilot run, it is advisable to identify examples of environments with both high and low support levels for new initiatives.

## Implement the individual proposals as planned.

Process-wise, it is necessary to link the project aiming for the implementation of the changes to systematic employee and manager training covering gender issues. The staff must embrace a new view on a variety of issues related to their work, role and status. However, so far as possible, the approach should be “non-violent”, avoiding unilateral lecturing and lengthy speeches delivered to the participants in the training activities and programmes. On the contrary, the basic methodology to be followed in development and learning activities should be that of cooperation between men and women on dealing with specific work projects and tasks. Only in such an environment is it possible, in a relatively natural manner, to identify and discuss the specificities of women’s and men’s approaches to life and work, overcome a lot of traditional ideas and stereotypes, find new forms of mutual relations, and so on. The training activities can begin as early as the decision stage (step 3).

## VI. Assess the results achieved by the changes

Not even careful preliminary analyses, pilot tests or communication campaigns and systematic training can guarantee a smooth and trouble-free acceptance of each proposal and measure. The realm of gender relations is burdened with a whole range of rooted traditions, and its introduction into organisational processes, activities and structures alone cannot change them overnight. Realistically, unexpected issues and situations during the implementation of the proposals and initiatives in the company should be factored in – people may react to certain things differently than expected, certain measures may prove wrong, and new questions and issues will come up. Therefore, the responsibilities of the HR managers must include continuous monitoring and evaluation of any changes and measures.

Methodologically, some procedures and tools used by external experts for audit purposes (step 4) and selected training activities and workshops can be used to evaluate the results of the changes. Process-wise, however, systematic efficiency and (economic) benefit assessment of the changes initiated should be included especially in the following HR management and work areas:

## Attracting, selecting, recruiting and allocating employees.

Depending on the nature of the changes that have been implemented, several interlinked indicators can be monitored:

- **The number and gender structure of the candidates in general and specifically for each job and position** (Have things changed? Can the changes be considered beneficial? etc.).
- **Quality and qualifications of the candidates** (What is the qualification and education level structure of the candidates? Have things changed for the better/worse? etc.).
- **Long-term and short-term work team stability** (Have there been any changes in the extent and structure of absence and staff turnover? If so, is the trend positive? etc.)

## Creating and using alternative and flexible employment forms.

The offer of so-called alternative or flexible employment forms is one of the usual and field-tested initiatives as far as gender relation changes are concerned. If the company has chosen to create and offer such jobs, the following indicators can be analysed:

- **Practical use of each of the employment forms** (How are the individual employment forms on offer used? Who is interested in them – by gender, age, education level, life situation, etc.? Are flexible arrangements used as long-term or temporary options? etc.).
- **Economic factors.** (Costs associated with the creation of new employment forms and the return rate. A comparison between the productivity of the employees working “standard” hours and those working “alternative” hours. Optimum/well-tested kinds of flexible employment forms in the company. Etc.).

## Career management and filling manager posts.

Changes in gender relations must involve increased female access to managerial positions. In this respect, mainly the following indicators should be monitored:

- **The number of women interested in management jobs and careers** (Gender structure of employees preparing/being trained for manager posts. For competitions for manager posts, the number of external female candidates. Etc.).
- **Female success in manager positions** (What is the success rate of female manager post candidates in recruitment, i.e. the female/male proportion among the selected participants and the percentage of women selected from the pool of all female candidates? What management posts do women really get, and in what positions are they still missing? What are possible explanations for this? How long do women “last” in management? Do women quit manager posts? Why? How many women have been promoted to higher management levels? etc.)

## Assessment and remuneration of the employees and their performance.

As a part of the process of implementing gender policy measures, the employee assessment system must be changed. Apart from criteria such as absolute performance or productivity, it

is desirable to factor in a range of other indicators – reliability and responsibility in carrying out the tasks, relationships with colleagues and to the company, interest taken in personal development and learning, practical return on investment into the development of the given employee, and so on. As for remuneration, it is important to constantly monitor female/male pay equality and the real existence of a link between assessment and remuneration.

## Training within the company.

The question as to whether training programmes and courses, organised and offered, really contribute to an efficient and equal involvement of women and men in the company life and work can be answered using the following indicators:

- **Making use of the courses offered** (What is the gender structure of those who participate, or have participated, in each of the courses? What courses are the employees interested in the most/the least? Are people interested in long-term training and programmes, or do they prefer one-off courses? etc.).
- **Assessing the course level and efficiency** (What kind of feedback do the female and male participants submit after the course? What courses get the best/the worst scores? Why? How do the direct superiors of former participants feel about the course and training efficiency? Does collective participation in the training programmes on offer contribute to better cooperation and improved relationships between women and men in the company? Have the employees changed their views on gender issues? In what respect? etc.).

Ultimately, monitoring and evaluation activities in relation to the results of the changes can lead back to the beginning of the entire cycle described above, i.e. to the stages involving psychological preparation, search for new documentation and development of arguments for additional changes that are necessary (steps 1 and 2). In other words, a project aiming to integrate gender equality principles into the company HR policies should be understood as a continuous learning process driven by solutions to new (or recurrent) issues and situations.

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# EXAMPLES OF GOOD PRACTICE IDENTIFIED IN COMPANIES BASED IN THE CZECH REPUBLIC

Case studies carried out in companies that are active in promoting equal opportunities for women and men provide, above all, quantitative data on relevant costs and benefits. Obviously, equal opportunities measures as integrated in HR management are above all beneficial in the long run. At the same time, equal

opportunities initiatives are sometimes met with resistance that may be caused by such factors as a misleading grasp of the issue. The following studies show specific measures that can be taken if a company decides to change the conditions so as to provide men and women with really equal chances to get on at work.

| Support area  | Costs  | Benefits   |
|---|--|--|
| Non-discriminatory recruitment and selection                            | Staff training, changes in the way recruitment and selection is conducted  | Larger pool of candidates, wider choice for selection  |
|   |  | Increased objectivity in employee recruitment and selection, higher efficiency – “the right people in the right places”  |
|   |  | Prevention of unsuccessful recruitment and selection   |
|   |  | The firm becomes more attractive and receives more applications  |
| Female career growth  | Providing trainers, costs for organising training outside of the company premises  | More efficient use of employee potential, time and money saved on external recruitment   |
|   | Personnel costs associated with training organisation  | Higher employee satisfaction and motivation, lower staff turnover  |
| Keeping in touch during maternity and parental leave, life-work balance | Mostly telecommuting facilities costs (computer, internet access)  | Long-term projects can carry on, no need for passing them on to other persons  |
|   |  | In the case of the temporary “loss” of an employee (such as a stay abroad), the person can be covered for  |
|   |  | Communication concerning the person’s return to work allows for better staffing plans  |
|   | Organisational changes, task re-assignment   | The employees keep up with their skills; the possibility to hire them again results in savings, as there is no need for dismissals and severance payments        |
|   |  | Stress in the workplace is reduced   |
|   |  | Money savings, as there is no need to recruit new employees for fixed or indefinite period contracts; time savings, as no new employee adaptation time is needed |
| Intensifying communication  | Lower losses caused by inefficient information flow between the leaving and newly hired employees, lower know-how losses |  |
|   | Higher employee satisfaction and motivation, lower staff turnover  |  |
| Diversity programmes  | Development of intranet and other communication channels   | Boost for the company culture development  |
|   | Personnel costs associated with training activities and organisation of informal meetings                                | There is good feedback at work, motivating the parties involved and strengthening their company employee identity  |



## SUPPORT FOR THE DEVELOPMENT OF WOMEN AT AIR PRODUCTS

J. Moravcová, K. Machovcová

Air Products, a manufacturer and distributor of industrial gases and related technologies, was awarded the Gender Studies special prize for successful starters in the Best Company with Equal Opportunities in the Czech Republic contest in 2004. The award was granted in acknowledgement of their activities to promote female career development and the increase in the proportion of women in the company management.

Initiated by the foreign mother company, **diversity promotion programmes were introduced**, including, in the Czech Republic, a career development project for women with strong potential.

**“We want to realize our differences and develop an environment to harness them in a creative way.”**

## Why does AP introduce diversity programmes?

- ▶ The European population and labour force are changing
- ▶ The European economy and environment are changing
- ▶ There is a need for people who are not afraid of diversity and can make use of all the changes that are happening
  - ▶ In 1998, the company's total profit per employee was USD 33,000; every year 400 employees leave the company worldwide. How many would stay if they identified themselves more with the company?
  - ▶ As the employees leave, the company incurs additional recruitment, adaptation and training costs in relation to the new employees, amounting to about USD 3 million; the costs linked to employee relocation are an additional USD 500 thousand.
  - ▶ AP increases the proportion of part-time employees, 90% of these workers being women.

The diversity programme activities include the work of the Executive Forum for Diversity and Development of the Air Products code of conduct. The code of conduct comprises obligations such as:

- ▶ Zero tolerance of discrimination and harassment
- ▶ Listening and being polite to everyone
- ▶ Any employee has the right to express their opinions openly
- ▶ Lessons are to be learned from the best diversity examples set by other companies
- ▶ Spending more time on communication and interaction

Workshops were organized for the HR team members who work as internal trainers in their respective branches and cooperate with external training agencies. First of all, the top management was trained in diversity issues, followed gradually by other higher management ranks, to show clearly that the area is of relevance to everybody. In the Czech Republic, a one-day induction training session was organised for new employees, and gradually, all staff members received training. The Czech branch employs 150 people in total and moreover covers the newly established Russian branch that now has 5 employees. All training materials are prepared in the language spoken in the given country so as to be accessible at all levels. In the Czech Republic, training is conducted by the HR manager and the HR specialist, who have received training from foreign experts. Diversity and female career development activities are part of standard HR work, and therefore there was no need to hire an additional person. In fact, the

work largely comprises one bout of activity. As Jitka Moravcová, AP HR manager, puts it, it is interesting work with excellent and interesting feedback from the employees, making the trainers realize more than ever that their programmes actually do respond to the most relevant needs of the employees..

Project monitoring is done through feedback from the training company and communication in the internal magazine; in addition, the trainers can get anonymous feedback online. Moreover, everybody is informed about where they can find out more about the programme (HR manager, diversity facilitator, Diversity Europe mailbox, contact details for the project manager).

## Developing female potential: Two ways of thinking – one goal

The goal for 2006 is to utilise women's potential for the development of the company culture. The activities should help people realize the possibilities opened up by women's experience and behaviour.

The programme consists of four training modules a year (there used to be three two-day sessions a year, but for 2006, successful measures were extended). The workshops cover topics such as empathy, creativity development or quality presentation skills, and are complemented by relaxation activities and team-building.

In 2004, 14 women, coming mainly from assistant posts, were selected for the programme in an assessment centre. Today, two of them are in manager posts, and 5 have proceeded further to the newly opened **talent programme** (a two-year individual programme). 7 men were selected for the same programme (there is 30% of men in the company in total). The talents were selected using a development centre organised for all business groups and based on nomination by their superiors.

Staff turnover in AP has been low, being stable at 10%. New people are usually selected in the assessment centre. Realizing the challenge of recruiting professionals who meet all the requirements, the management concentrates on using the potential of present employees, especially women who tend to be underestimated for no reason in this very technical sector.

Continuity is one of the key principles in development programmes – the activity needs to be carried out over a relatively long period of time, waiting for the results to come; it should be remembered that changes do not happen very quickly, but at the same time, the ability should be retained to modify the programmes in response to what is perceived as a current need.

### Flexible working hour arrangements:

They are usually individual agreements between women on maternity or parental leave and their superiors. For instance, women who have proven themselves and want to stay in touch can work from home (a laptop is provided), the workload being gradually increased (from l to l, or otherwise), or they can work reduced working hours for a longer period of time, as agreed. Taking part in development programmes is possible even while on maternity or parental leave.

### Satisfaction surveys:

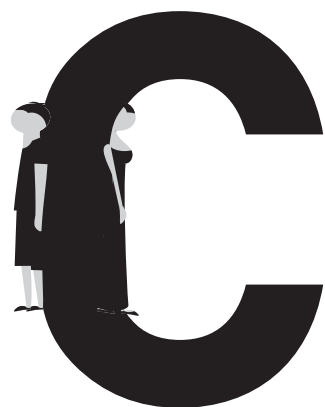
They used to be carried out every year, while nowadays they are done every other year. The employee satisfaction surveys identified a relatively high stress level (up to 48% of the employees

admitted increased stress levels at work). Based on this finding, an **anti-stress programme** was initiated, financed partly by an EU grant and by the state budget. All employees were offered the opportunity to have regular medical check-ups specifically focused on stress (the check-ups include biochemical tests and psychological questionnaires). The employees can have the tests regularly once a year and compare if and in what respect their indices have become worse over the year. Moreover, within the ESE, the staff of the Děčín and Litvínov branches can go on a two-year training course (3x2 days) covering stress source identification and management techniques. 48 employees have participated.

## Conclusion

The organisation realises the growing requirements for the working load to be tackled by the employees as well as the time that they have to devote to work. The stress-combating programme is one of the forms of support making sure that everybody has optimum conditions for meeting their requirements.

All the above-mentioned programmes, be they female support initiatives, diversity measures or stress management activities, are designed not only to improve care taken of the employees, but also to identify and fully harness the potential of able employees in today's demanding and competitive atmosphere. No less importantly, they are carried out with a view to improving the company rating in the labour market by providing schemes that exceed the standard. And without a doubt, while this asset is hard to quantify financially, it is all the more appreciated.



# HANNEL CROSSINGS – EQUAL OPPORTUNITIES FOR WOMEN AND MEN IN A SMALL ORGANISATION

L. Pavilková, K. Machovcová

In 2005, Channel Crossings, a Prague-based language and education agency, was awarded the Gender Studies special prize for a small company in the Best Company with Equal Opportunities in the Czech Republic contest. In planning human resources development, the successful company owner Lenka Pavilková's philosophy is that "if your employees are not happy, your results will not be good either". The CHC team embarks on projects integrating equal opportunities into internal HR programmes knowing that it is a systemic, rather demanding and long-term activity, whose benefits mostly become apparent in the long run.

The key measures to promote equal opportunities are the following:

- personal development programme for the employees
- flexible working arrangements

## Personal development programme

With **24 employees (6 men, 18 women, 6 of whom are on maternity/parental leave)** and additional external teachers, the company has an HR manager and applies a comprehensive HR strategy. The main principle of the personal development programme is that personal and training goals are set on a regular basis, and corresponding budgetary resources are set aside. Women are encouraged to define goals that will not only contribute to their professional and personal development, but will also be an asset for the company. Once the selected training activities are over, the next step is to assess how beneficial they were for the specific individual and to consider whether the newly acquired knowledge can be applied in practice within the company. The goals are reviewed once a year; the meeting of the goals is assessed and priorities are set for the following period. Moreover, in the middle of each period, mid-term evaluation is carried out and the goals may be reviewed, depending on current development. Specific issues are preferably dealt with on an individual and relatively flexible basis depending on the needs of both parties; in a small company, a quick and flexible agreement is possible without having to go through a lengthy approval process, however it is important to define certain key principles. A sophisticated HR strategy allows for optimum professional development and career growth for each employee. There are 50% of women in the company management, and the company owner and managing director is a woman. Until recently, women were predominant in the firm at all levels, including management. However, the female/male ratio has become balanced lately to promote a larger male representation in a sector that has traditionally been considered female. Gender-balanced teams have worked for the company, bringing in various points of view and reflecting the natural environment we live in.

## Flexible working schedules

The relationship with female employees includes support for keeping in touch with the firm during maternity/parental leave. Currently, two female employees who have wished to do so work mainly from home with reduced working hours, backed by the organisation that equipped them with computers. They work in their positions independently on long-term projects. Relationships with the above-mentioned employees are based on absolute trust in their responsible approach to their tasks and the relevant reports on the hours they worked. The company benefits from the fact that it maintains continuity in long-term projects and keeps its skilled labour force. Moreover, all persons on parental leave

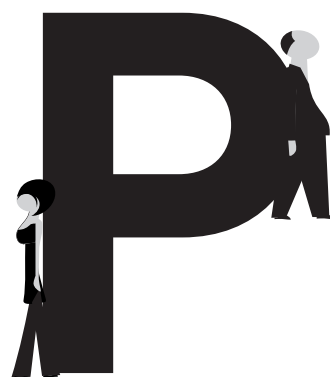
are invited to various company events (such as annual meetings, parties or outdoor weekends).

The many external teachers working for the organisation, encouraged to balance their personal and work lives, can plan their timetable according to their individual needs. In the Prague-Radotín branch, babysitting is provided during teaching hours. This facility has been made possible as the building included a room fitted with the necessary equipment. However, the equipment requires continuous investment. Babysitting for a maximum of 8 children, ~ a year or older, is provided by an experienced care person during morning hours when the classes take place. The service is subject to a fee for students, but teachers can use it free of charge, provided that there are free places in the day-care. For their classes for women on maternity leave, CHC was awarded the 2004 European Award for Languages – The Language Label for innovative language-learning projects.

CHC believes in promoting equal opportunities both within the company and outside. For example, Lenka Pavilková has become a mentor in a programme carried out by the Southern Moravian Association of Female Managers and Businesswomen (Jihomoravská asociace manažerek a podnikatelek). Respecting the Corporate Social Responsibility concept, CHC supports local institutions (basic schools, a secondary school, sports events).

## Conclusion

In Lenka Pavilková's own words, promoting equal opportunities is a win-win situation. The employees are provided with professional growth and a life/work balance, while the company gains increased loyalty on the part of the employees, preventing loss on training investment; in general, a supportive equal opportunities policy contributes to an efficient use of human resources, helping the firm and the individual to develop further.



# PIVOVARY STAROPRAMEN: REINTEGRATING MOTHERS AFTER MATERNITY LEAVE

M.Kroupová

Pivovary Staropramen is the top Czech beer producer and a part of InBev, the world's biggest beer company, with a long brewing tradition dating back to 1366.

The company started tackling the equal opportunities issue on a gradual basis, changing attitudes to equal opportunities slowly and spreading the changes from one department to another and across all management levels. There is no universal, quick or simple way, and the issue is a delicate subject concerning everyone. A good approach to dealing with the issue consists in combining a variety of different methods with a will to accept changes and ability to drop "well-established" practices. For example, nowadays, when a vacancy is to be filled, the management considers whether to recruit a man or a woman, so as to have a gender-balanced team working with both female and male input. This approach has resulted, among others, in a 40% female representation in top management. The company chose not to implement any complex projects; rather, it took gender into account while dealing with other everyday issues. One of the few exceptional complex programmes was the initiative called "Reintegration of women after maternity and parental leave" whose objective was to eliminate relevant risks and costs.

## Reasons behind the project

The six-month maternity leave, usually followed by parental leave up to the child's third birthday, is often extended by an unpaid one-year's leave up to the child's fourth birthday. This relatively long absence, together with the loss of contact with the development of the company, bring about problems for mothers who return to work. Managers use mainly the following arguments to explain why they are unwilling to reintegrate the mothers back into the company after their maternity and parental leave:

- The risk that the child may fall ill – the mother's absence causes work-related problems for the team.
- Women with young children are unwilling to work overtime and go on business trips.
- The woman's skills and knowledge deteriorate over the maternity leave
- The woman loses touch with IT and ICT developments, new work forms and working methods.
- The woman must re-adapt to the changed business culture, work organisation and working conditions; she needs to undergo further training and become familiar with the changed environment basically to the same extent as a new employee.
- The company is satisfied with the "substitute" employee who is fully adapted.
- Women with young children are more prone to stress, as they try to juggle their professional careers and their family responsibilities.
- The managers assume that women go back to work for financial reasons: "If money wasn't an issue for her, she would certainly prefer to stay at home with the child and would have no reason to go back to work"; self-fulfilment, professional ambition and career are considered irrelevant for women.

In the short run, such arguments may be understandable, but in the medium or long-term perspective, they are nothing more than short-sighted ideas about the importance of employed women for society.

## Benefits of reintegration:

- A family-supportive company has a good company image, which prevents excessive staff turnover and makes it easier to look for new staff. Such a company is an attractive employer.
- Unfriendly attitudes to mothers have an unhealthy impact on the business culture: inappropriate treatment of a group of people may be perceived as a tendency towards conflictive behaviour towards others, which affect the satisfaction, loyalty and motivation on the part of the employees and can even make a bad impression on customers.
- Preventing business knowledge drain and the risk of knowledge being directly acquired by competitors.
- Additional costs for severance payments, re-recruitment, training and development of a new labour force are eliminated; use is made of the investment in the adaptation, training and development of the women before their maternity leave
- Conflict between the employer and the trade union is eliminated.

## Specific solutions:

### 1 Do not forget about women who are on maternity and parental leave.

- **Development and training** – provide access to the training activities organized by the company during parental leave.
- **Interviews with women leaving for maternity leave** – provide information about the woman's rights and entitlements over the maternity leave period and on her return and cooperation possibilities during maternity leave; get a global idea about what the women show interest in.
- **Support for social contacts with the company** – invite the women to business parties, informal gatherings and other events.
- **Keeping in touch with the team during parental leave** – the women can cover for sick colleagues for a short period, do analyses and translations or help organise company events.
- **Offer benefits** – mainly those that are not directly related to work, such as luncheon vouchers, extra days off, etc. Allow parents to participate in collective cultural and sports events or employee discount offers.
- **Inform mothers about fundamental changes in the company** – such as ownership changes, organisational structural changes, etc.

### 2 Involve the management in continuous preparation for the return of the mothers

- Inform the management about expected or announced return of mothers one year in advance, in June and in December, so that their return can be taken into account in the budget.
- Internal recruitment – according to the mothers' skills and interests, offer vacancies internally, even though they are not yet supposed to return. In this manner, the women will get an opportunity to think about attractive offers and potentially re-consider the date of their return from maternity leave.

- Keep the management informed about current claims on the part of the mothers and their skills, and put both parties in touch if necessary.

- Get in touch with the mothers at least once in every six months and inform them realistically about how they can be useful to the company.

### 3 Once the mother comes back to work

- Offer them kindergarten places.

- Allow them to take part in induction training once again, or, as the case may be, in statutory or any other training sessions that are usually taken by new employees to become familiar with and adapt to the environment.

### 4 If the return is impossible (for instance, if the post no longer exists and there is no other adequate job available)

- A sensitive approach and possibly financial compensation for terminating the employment relationship.

- Consulting, outplacement.

## Assessment of the project

- Currently, out of a total of 950 employees, 54 women are on maternity or parental leave.

- 3-5 places in the kindergarten, situated 5 minutes from the workplace, are reserved for the children of employees.

- Mothers take part in Christmas parties, beer festivals and football and tennis matches, and some participate actively as organisers.

- Short-term cooperation during maternity leave – marketing analyses, processing data issued from the IT user satisfaction survey, translations, administrative work.

- There is a system in place informing mothers about vacancies.

- Targeted training during maternity leave – the SAP training was carried out before the mother's return, as SAP knowledge was indispensable for her work from the very beginning.

- A scheme for cooperation with the management is in place.

- The return rate of mothers after maternity leave has been 67%, as compared to 40% earlier. The reasons for the remaining mothers not coming back have been organisational issues, long commuting distances, moving house, and the kindergarten opening hours (according to a 2005 report).



## SUPPORT FOR DIVERSITY AND FEMALE PROFESSIONAL DEVELOPMENT IN TETRA PAK GLOBAL CORPORATION

T. Trebatická, K. Machovcová

**Tetra Pak, one of the world's leading manufacturers and suppliers of complete systems for processing, packaging and distribution of liquid food products, with offices in more than 165 countries worldwide, started focusing on diversity support in 2003. The diversity programme was initiated following an internal demographic survey covering all employees (over 20,000).**

Taking the survey's results as a starting point and having regard to long-term global demographic trends, the top management chose gender and ethnicity as the key points in the comprehensive diversity concept.

At the time of the survey, 23% of all Tetra Pak employees were women and 47% of the staff came from non-European areas. On comparison of these figures with the employee structure at the management level, it became apparent that only 17% of all management posts were held by women and 23% by non-European employees. In top management, the imbalance as compared to the overall employee structure was even more striking. There was only 6% of women in top management and 19% of non-Europeans.

The company made a resolution to ensure that in 2010 at the latest, the management level employee structure (as against ethnicity) will correspond to the overall employee structure, with at least 25% non-European employees in top management.

Gender-wise, the long-term objective is to have at least 20% of women at management level in 2010, doubling the number of women in top management.

Obviously, in every country, the approach to meeting these goals must be different, as the issue is directly linked to the cultural and historical background of the given area. The universal key idea is that "Diversity is about evolution, not revolution!". To make it possible for women to be able to work in management, it is absolutely necessary to have the top management's support for women's professional (and personal) development, as well as to create a sufficient number of opportunities in order to enable the women to aspire to management posts and be always considered as candidates who are equal to men.

This initiative includes support for an informal group within the company, known as SWiM (Supporting/Sustaining Women in Management). SWiM is open to everybody, both women and men who are in favour of the mission to support women's professional development by sharing best practices and networking. In 2005, SWiM organised an international conference in Sweden, inviting representatives from various local branches, Tetra Pak global top management members, as well as several equal opportunities experts who addressed the conference with their presentations.

In the Czech Republic, official and formal implementation of the diversity programme began in 2005. Tetra Pak Czech Republic & Slovakia had already had a positive attitude to diversity earlier, which is illustrated by the number of women in the management, 35%, and the top management, 33% (the company has 75 employees in total). Therefore, the initial conditions were a little more favourable. However, the company still had to grasp the delicacy of the issue against the social backdrop of a post-socialist region where public declarations about equal opportunities policies often meet with a negative response. It is very important to communicate in a co-operative manner, stressing the fact that a diversity and equality support programme is not to the detriment of other groups of employees, but on the contrary, it can be beneficial for everybody, for instance in the form of improved mutual cooperation and open communication.

In equal opportunities, the objective is to attract and retain potential women candidates for management posts and to support those who already work at management level. Suitable can-

didates are identified during external recruitment, but also as a part of internal assessment procedures. Those who have been identified as suitable are provided with coaching and further professional development support. Recently, 2 female managers have been promoted in this manner.

Furthermore, in the Czech Republic, there was a presentation for the employees (1.5 hrs long and in English) regarding basic diversity aspects. Together with Gender Studies, o.p.s., another session was organised concerning gender and age.

This May, the local SWiM organised a one-day training in Prague called "Self-marketing", meeting with great interest from women and men. The training is to continue in autumn.

Moreover, the employees can use the ever-growing library that provides information about management skills development or about areas such as gender relations. The professional background of the programme is ensured by the HR manager together with the communications manager.

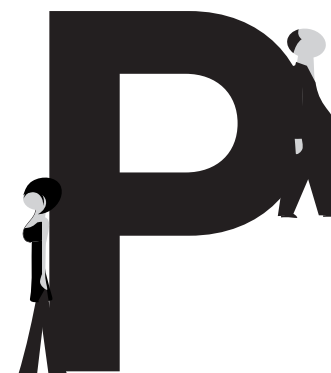
In addition, a lot of information can be drawn from the annual employee satisfaction survey in which the diversity aspect is directly monitored thanks to the new gender indicator.

## Parenthood measures

Currently, the Czech branch includes eight women on maternity/parental leave; by way of example, the women have retained one of their employee benefits, namely an above-standard accident insurance covered by the company. Mothers are invited to social events (family day, Christmas party) and upon individual agreement, they are involved, regularly or on an one-off basis, in work activities (such as covering for another staff member who is abroad, work on various projects, etc.).

## Conclusion

As mentioned above, equal opportunities are still a very delicate issue in this region. The company's HR manager, Ms Trebatická, says: **"We are lucky to work for a company that supports the development of high-quality workers, regardless of their gender, age or ethnicity. Of course, the official implementation of the diversity programme brought about a lot of discussion, especially among our male employees, and therefore, it has been important to avoid any discrimination in relation to women, i.e. even potential positive discrimination. This includes maximum transparency of all processes that are related to the issue, open internal communication and involving all persons that are interested, both women and men, in the activities."** Explaining why she considers diversity programmes to be very important for women, Ms Trebatická says: **"The fact is that unlike men, women need more encouragement to gain professional 'self-esteem', and this is why a diversity programme covering a range of activities is useful. It is amazing to see how much a woman can grow professionally and personally over a relatively short period when the company management gives her a clear sign of trust and belief in her abilities."**



# PRINCIPAL RESULTS OF A COST BENEFIT ANALYSIS: FAMILY-FRIENDLY MEASURES AND THEIR INFLUENCE ON THE COMPANY ECONOMY

K. Machovcová (ed.)

The study was carried out for the German Federal Ministry of Family Affairs, Senior Citizens, Women and Youth and financed by the European Social Fund. The complete text in German is available at: [http://www.bmfsfj.de/RedaktionBMFSFJ/Internetredaktion/Pdf-Anlagen/PRM-24825-Langfassung\\_property=pdf.pdf](http://www.bmfsfj.de/RedaktionBMFSFJ/Internetredaktion/Pdf-Anlagen/PRM-24825-Langfassung_property=pdf.pdf). Published in September 2003. Czech translation by Pavla Škodová.

For a few years now, the need for a balance between family and work has been discussed not only as a moral or ethical issue, but also as an economy-related issue. Striking a balance in this respect will involve economic benefits:

- For parents – not only will it be easier for them to coordinate their private lives with work, but also, in returning to work earlier after their parental leave, they will have increased opportunities in the labour market and career growth possibilities.
- For the state – for one thing, it will get support for its social policy, and for another, more active workers means a higher revenue collection for the state.
- For companies – research has shown that an HR policy emphasizing family-friendly measures and a co-operative approach to the employees can be a competitive advantage for the company and even reduce the company's costs.

### Research objective

The objective of the study, consisting in an analysis carried out in several German businesses<sup>1</sup>, was to find out whether family friendly measures pay for companies nowadays. Accordingly, the study analysed the current quantitative relationship between:

- the positive influence of family friendly measures and the related reduction of personnel costs and
- the expenses needed for the implementation of the above-mentioned family-friendly oriented HR policy.

### Cost-cutting potential inherent in family-friendly measures

Staff turnover due to family duties, temporary replacement periods for employees on parental leave, increased absence rates for family reasons and, not less importantly, the return of the employee to work after a long period (i.e. parental leave) are factors that bring about additional costs for the company that can be reduced by introducing family-friendly measures. Therefore, there is cost-cutting potential.

### Staff turnover related costs and costs for finding a replacement with the same skills

In Germany, 40% of all women who were employed before having a child take three years or more to return to work<sup>2</sup>. This is due to the current situation in which the conditions for balancing work and childcare responsibilities are far from ideal. Such a staff turnover, which is due to family duties, causes considerable costs in acquiring new personnel:

- job vacancy – for instance, costs associated with lower productivity due to a person missing in customer care or market research
- recruitment – for instance, advertising costs, bonuses paid to the present employees for recommending a new employee, costs for an HR consultant or an HR agency, participation in job fairs
- selection of a suitable candidate – costs involved in job interviews, communication costs (telephone, fax...), travel expenses covered for the candidates...

- hiring a new employee – equipment costs for the new work station, moving costs where relevant
- training and skills development – costs for internal or external training, seminars or workshops
- induction – higher costs associated with the need for providing an increased amount of information to the new employee and checking on his/her work
- lower performance in the induction period – costs involved in lower productivity and a higher frequency of mistakes as well as an increased accident risk, costs for the lack of know-how, costs for lost business contacts

These costs depend, to a large extent, on the required qualification level of the employee and on how specific the required skills are. In general, the higher and the more specific the skill requirements are, the more considerable are the costs involved in looking for and recruiting a new worker.

### Costs involved in the return of the employee after maternity/parental leave

As a rule, a worker's long-term absence from work leads to a drop in the person's skills. For one thing, the person gets out of the swing of work and forgets work routines, for another, specific working conditions often change within a few years. There are changes in products, standards and guidelines, technical equipment or IT, which requires new training and induction after the return. Moreover, the longer the out-of-work period is, the higher the costs.

### Costs associated with temporary solutions for the absence of employees

There are three options for the company to manage the period before the employee's return to work:

- employment for an indefinite period: mostly in big companies that are quite certain to be able to offer to their former employee a post corresponding to their skills once they return from parental leave. However, this option is also frequent with companies that assume a low return rate after parental leave, based on their previous experience.
- employment for a definite period: the most common solution; there is a risk that the person will be less skilled than the former employee, but the shorter the replacement period, the lower are the costs incurred.
- alternative options: work redistribution or overtime work.

### Costs associated with increased absence rates

Employed parents, especially working women, providing care for children up to 8 years of age, are under more considerable strain and stress than childless employees, as they need to juggle their work with family responsibilities. This double burden can lead to increased stress levels and higher probability of sickness, which in turn reduces productivity and, most importantly, increases the absence rate. However, family-friendly measures can ease this burden and the related negative impacts to a large extent.

### Potential savings

In total, depending on the size of the company, potential savings worth several thousand euros were identified in each business. To determine the amount of the savings, two scenarios were compared – the real situation in each company, and an imaginary company, created on the basis of average values, that does not use any family-friendly measures. The differences in values

between both scenarios showed the actual savings effected in the selected companies to the relevant date. The amount of the savings depends mainly on the size of the company and is usually in the order of several hundred thousand euros (see chart).

### Costs involved in family-friendly measures

Research looking at family-friendly measures from the employee perspective has shown that individual measures become more efficient as they combine. As it was very difficult to match each effect to specific measures, a basic family-friendly scheme was developed for this particular analysis; accordingly, the analysis reflects overall costs and benefits that relate to this programme. It needs to be pointed out that in many cases, childcare facilities provided by the company, i.e. the most expensive measure included in the scheme, are not necessary or meaningful.

The basic family-friendly scheme analysed included the following measures:

### 1 Consulting services for parents, contact-keeping programmes and programmes addressing the return to work:

- providing information and advice about changes in legislation and company guidelines and about specific changes in the company,
- consulting about or preparation for possible work arrangements over the maternity leave and later, for example telecommuting,
- providing information about childcare facilities,
- providing internal business information about what is happening in the company,

- hiring the employee on maternity leave as a replacement for people on holiday or for sick employees,
- planning and agreement about maternity leave and return to work,
- skills development offers, both during maternity leave and after the parent's return (according to the survey, skills development measures are considered the most important, and almost every woman appreciates such offers and thinks they are useful).

Costs: The personnel costs involved in these measures depend on how many parents there are in the company.

### 2 Part-time work offers, work flexibility and independence for working parents:

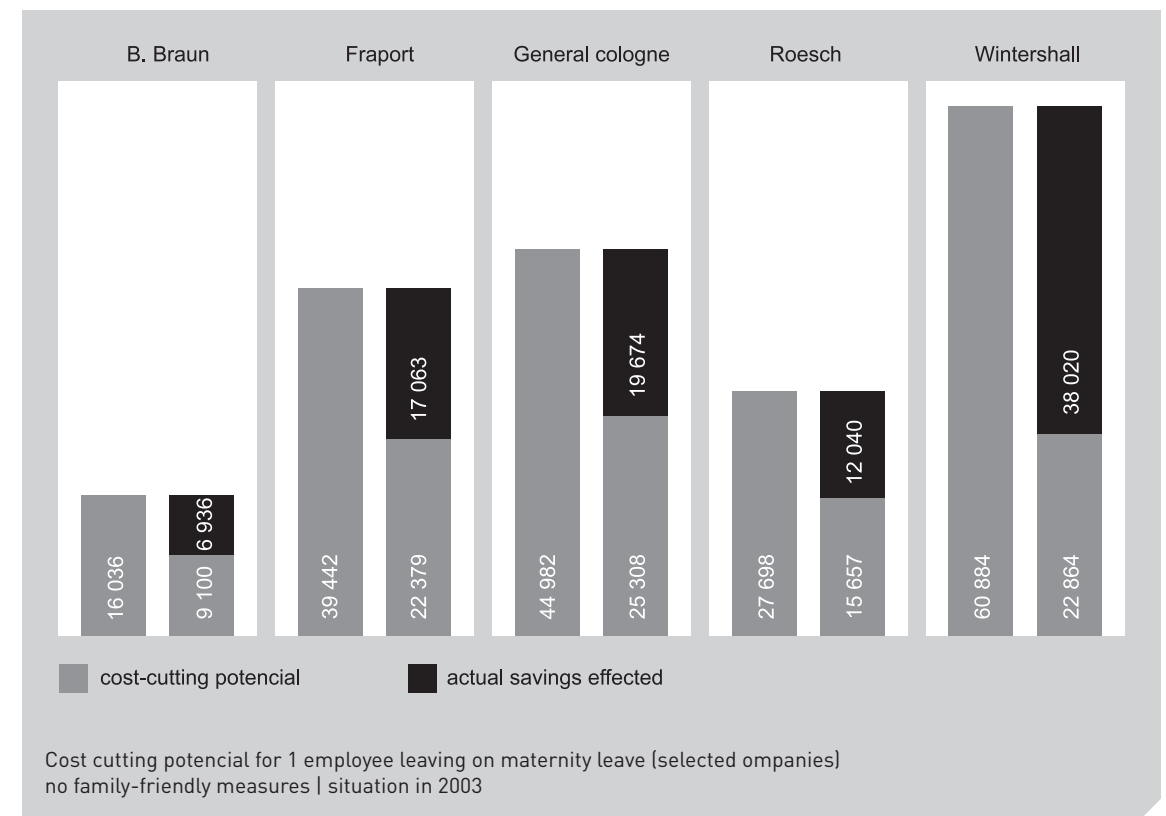
The extent and flexibility of the working hours are decisive factors for the compatibility between work and family responsibilities. There is a whole range of working hour schedules, from reduced and gliding working hours to schedules providing high timetabling autonomy at work. Moreover, there are models allowing the employee to be granted leave from work (paid or unpaid) for several days to several months.

Costs:

Preparation, approval and contracting of individual working hour schedules result in increased costs incurred especially by the HR department and the direct subordinates of the given employee.

### 3 Telecommuting:

Telecommuting means work outside of the workplace facilitated by IT and communication technologies. The person can work either only from home, or he/she can alternate and work both from home and in the office.



For employees providing care for a child, the telecommuting option makes flexible working hours even more efficient, as the work can be phased over the whole day and coordinated with child care requirement (cooking, driving children back and forth). However, telecommuting is absolutely not a substitute for external childcare facilities. Worries that increased demands on work organisation and coordination lead to constant overwork instead of improving the compatibility between work and family life have proved unfounded, according to recent empirical surveys.

Of course, telecommuting is limited only to certain activities that do not require working with machines or direct contact with clients.

Costs:

Material and personnel costs for one “distance” job differ according to equipment requirements, the distance to the company premises and servicing and maintenance conditions.

#### 4 Company or company-supported childcare:

- a) A company kindergarten or support for regular childcare services
  - the company operates its own kindergarten or shares the responsibility with other companies
  - another organisation is entrusted with childcare
  - support for parental initiatives
  - cooperation with public or private organisations.

Costs for running a company kindergarten depend mainly on the opening hours and the age of the children (the younger the children, the higher the costs). Average annual costs for one place in an all-day kindergarten are 7,800 euros for the 3 to 6 age group, 10,100 euros for a mixed group of children between 1 to 6 years of age, and 15,600 euros for children from birth to 3 years of age. Naturally, a company cooperating with existing facilities or ensuring a fixed number of places in kindergartens for the children of their employees incurs considerably lower costs than a company operating its own kindergarten.

- b) Babysitting in exceptional situations

Employees with children need access to childcare in exceptional situations, such as days where the kindergarten is exceptionally closed or the person usually providing care for the child is sick. Moreover, this can cover periods when the employee must work overtime or is attending a training or business trip over several days.

Exceptional babysitting offered directly by the company is only worthwhile for big businesses employing several thousand people. In other cases, it makes more sense to cooperate with other companies, to pass an agreement with existing facilities or to find a babysitter.

It does pay for the company to guarantee exceptional babysitting, as this means preventing the employee’s absence. Besides, the companies confirm from their own experience that having childcare services available plays a very important part in employees’ decisions about whether to return to work (earlier) after maternity leave.

### Model Calculation: Costs and Benefits of “Family, Ltd.”

For the purposes of the case study, a fictitious company with the following characteristics was chosen: medium size, no financial problems and no need for redundancies. The company’s priority is to retain its staff as long as possible. The employee skills requirements are high and there are relatively high costs involved in staff recruitment and selection.

### “Family, Ltd.”: General Information

|   |          |
|---|----------|
| <b>Number of employees</b>                  | 500      |
| female                                      | 669      |
| male  | 831      |
| <b>Percentage of female employees</b>       | 44.6%    |
| <b>Percentage of part-time employees</b>    | 14.7%    |
| percentage of part-time employees – female  | 28.1%    |
| percentage of part-time employees – male    | 3.9%     |
| <b>Average employee retention</b>           | 10 years |
| <b>Employee groups against gross income</b> |          |
| up to 30 000 €                              | 43%      |
| up to 55 000 €                              | 40%      |
| over 55 001 €                               | 17%      |
| <b>Additional personnel costs</b>           | 45%      |

Every year, about 20 “Family, Ltd.” employees take parental leave. 20% are replaced by new staff hired for an indefinite period, 70% are replaced by persons hired for a definite period and 10% are covered for in other ways (through work redistribution, overtime, etc.). Accordingly, the company incurs the following costs to manage this temporary situation:

#### Costs Incurred for Filling One Vacancy

|  |          |
|--|----------|
| Hiring an employee for an indefinite period                    | 17 494 € |
| Hiring an employee for a definite period                       |          |
| For 6 months   | 13 907 € |
| For 12 months  | 14 986 € |
| For 18 months  | 16 064 € |
| For 36 months  | 17 494 € |
| Other methods for managing the temporary situation (€/1 month) | 652 €    |

#### Costs associated with the return of the employees after maternity leave

|                        |         |
|------------------------|---------|
| Return after 6 months  | 1 200 € |
| Return after 12 months | 2 400 € |
| Return after 18 months | 4 000 € |
| Return after 36 months | 6 000 € |

#### Description of various scenarios

Three scenarios were developed for “Family, Ltd.”:

- The “basic scenario” works on the assumption that “Family, Ltd.” operates no family-friendly measures, thus realizing no savings.
- The “realistic scenario” assumes that the company operates family-friendly measures and realizes savings as follows from the analysis carried out in the businesses.
- The optimum scenario portrays “Family, Ltd.” as a company operating family-friendly measures, realizing maximum savings.

The following table provides the general conditions for each scenario:

|  | Basic scenario | Realistic scenario | Optimum scenario |
|--|----------------|--------------------|------------------|
| <b>Number of employees</b>   | <b>1 500</b>   | <b>1 500</b>       | <b>1 500</b>     |
| female   | 669            | 669                | 669              |
| Staff turnover rate  | 4.5%           | 3.5%               | 3.0%             |
| <b>Target group</b>  | 124            | 124                | 124              |
| <b>Employee groups against gross income</b>  |                |                    |                  |
| up to 30 000 €   | 48%            | 48%                | 48%              |
| up to 55 000 €   | 47%            | 47%                | 47%              |
| over 55 001 €  | 5%             | 5%                 | 5%               |
| Average number of employees leaving on maternity leave every year                    | 20             | 20                 | 20               |
| Average maternity leave duration (months)  | 36             | 25                 | 12               |
| Average number of employees on maternity leave                                       | 60             | 41                 | 20               |
| Percentage of employees on maternity leave who work part-time                        | 0%             | 30%                | 50%              |
| Percentage of employees who return to the company after maternity leave              | 20%            | 80%                | 90%              |
| Average number of employees returning after maternity leave every year               | 4              | 16                 | 18               |
| Percentage of employees working part-time after maternity leave                      | 100%           | 50%                | 30%              |
| <b>Breakdown of measures used to replace the employee on maternity leave</b>         |                |                    |                  |
| Hiring an employee for an indefinite period  | 20%            | 20%                | 20%              |
| Hiring an employee for a definite period   | 70%            | 70%                | 70%              |
| Other solutions  | 10%            | 10%                | 10%              |
| <b>Average costs associated with the return of an employee</b>                       |                |                    |                  |
| External costs   | 19 244 €       | 17 494 €           | 16 619 €         |
| Internal costs   | 4 973 €        | 4 521 €            | 4 295 €          |
| <b>Costs for other temporary solutions (€/month)</b>                                 | 625 €          | 625 €              | 625 €            |
| <b>Reduced recruitment costs due to higher company attractiveness as an employer</b> | 0 %            | - 10%              | - 15%            |

For the realistic and the optimum scenarios, a family-friendly “package” was developed, including the following measures:

- consulting provided for and contact with employees on maternity leave and working parents providing care for a child,
- flexible working schedule arrangements developed in response to individual needs,
- telecommuting enabled,
- an all-day company kindergarten (open ca 10 hours a day, 48 weeks a year) for a mixed group of children.

The total costs associated with these measures amount to 304 000 € and are made up of the following elements:

|  | Realistic scenario |
|--|--------------------|
| <b>Costs for consulting and contact with the employee</b>          |                    |
| Cost corresponding to 1.25 of a full-time employee                 | 81 250 €           |
| <b>Costs for developing flexible working schedules</b>             |                    |
| Cost corresponding to 2 days per 1 employee                        | 10 541 €           |
| <b>Telecommuting costs</b>   |                    |
| Number of posts  | 5                  |
| Total costs  | 30 000 €           |
| <b>Company kindergarten costs</b>                                  |                    |
| Number of places   | 30                 |
| Costs for 1 place  | 10 129 €           |
| Total costs  | 303 870 €          |
| Costs not covered by the state/region/commun-<br>nity (60%)        | 183 322 €          |
| <b>Total annual costs associated with family-friendly measures</b> | <b>304 113 €</b>   |

## Cost benefit comparison

In the basic scenario (no family-friendly measures), the benefit analysis shows that potential savings of ca 700 000 euros are possible, i.e. 35 000 euros for 1 employee taking parental leave.

In the realistic and optimum scenarios, thanks to the family-friendly measures, the savings increase as indicated below in comparison to the basic scenario:

- Costs associated with filling the vacancy while the employee is on parental leave drop by 13% in the realistic scenario and by 21% in the optimum scenario.
- Costs associated with staff turnover and related costs for new recruitment can be reduced by 31% in the realistic scenario and by 63% in the optimum scenario. The main factor here is the increased number of employees coming back after parental leave (20% in the basic scenario, but 80% in the realistic scenario and 90% in the optimum scenario) and their longer working schedules.
- Costs associated with the return to work drop by 33% in the realistic scenario and by 68% in the optimum scenario. The main positive factor here is shorter duration of the employee's parental leave.
- The increased return rate influences the reduction in recruitment costs to hire new employees; once the former employees

return, candidates can be chosen from the replacing staff to fill vacancies in the company that would otherwise have to be filled externally. In this manner, recruitment costs drop by 128 000 euros in the realistic scenario and by 145 000 euros in the optimum scenario.

- Further recruitment cost reduction is due to the fact that the company becomes more attractive as an employer. Thanks to a higher number of suitable candidates, these costs can be reduced by up to 185 000 euros a year in the optimum scenario.

Overall costs associated with insufficient family and work life compatibility can drop by 55% in the realistic scenario and by 78% in the optimum scenario in "Family, Ltd.". In euros, the savings realized are 379 000 euros and 540 000 euros respectively, which corresponds to 19 000 euros for one employee on parental leave in the realistic scenario and 27 000 euros in the optimum scenario. Accordingly, the effected savings exceed the cost incurred for the family-friendly "package", amounting to 304 000 euros, by 75 000 euros in the realistic scenario and by 235 000 euros in the optimum scenario. Looking at the annual costs for family-friendly measures as an investment, the capital invested by "Family, Ltd." increases its value by 25%. In business economy terms, therefore, the return on investment into family-friendly measures is 25% in "Family, Ltd.".

## "Family, Ltd.": General Information

| Usefulness Potential  | Basic Scenario   | Realistic Scenario | Cost-Cutting Potential as Compared to the Basic Scenario | Optimum Scenario | Cost-Cutting Potential as Compared to the Basic Scenario |
|---|------------------|--------------------|--|------------------|--|
| <b>Costs associated with solutions to the temporary absence of the employee on parental leave:</b>  |                  |                    |  |                  |  |
| Hiring an employee for an indefinite period   | 76 974 €         | 69 976 €           | - 9%   | 66 478 €         | - 14%  |
| Hiring an employee for a definite period  | 244 918 €        | 224 902 €          | - 8%   | 209 799 €        | - 14%  |
| Other solutions   | 46 930 €         | 26 072 €           | - 44%  | 15 643 €         | - 67%  |
| <b>Costs associated with staff turnover and recruitment:</b>  |                  |                    |  |                  |  |
| Costs associated with the loss of employees who do not return to the company after parental leave (staff turnover)  | 57 731 €         | 17 494 €           | - 70%  | 16 619 €         | - 71%  |
| Recruitment costs in the case of an employee who had worked full-time before who works part-time after parental leave   | 76 974 €         | 76 118 €           | - 1%   | 33 239 €         | - 57%  |
| Total costs associated with staff turnover and recruitment  | 134 705 €        | 93 612 €           | - 31%  | 49 858 €         | - 63%  |
| <b>Costs associated with the employee's return to the company after parental leave</b>  | 67 110 €         | 44 740 €           | - 33%  | 21 479 €         | - 68%  |
| <b>Costs associated with increased absence rate</b>   | 0 €              | 0 €                | -  | 0 €              | -  |
| <b>Reduction of costs for recruiting new employees owing to the possibility of using skilled "substitutes" for other jobs once the former employees have returned</b> | - 14 271 €       | - 142 709 €        | -  | 160 224 €        | -  |
| <b>Increased company attractiveness impact on recruitment (basic - realistic scenario)</b>  | 139 725 €        | 0 €                | -  | - 46 575 €       | -  |
| <b>Total annual cost-cutting potential</b>  | <b>696 090 €</b> | <b>316 594 €</b>   | <b>- 55%</b>   | <b>156 459 €</b> | <b>- 78%</b>   |

|   |                 |                    |                  |                    |              |
|---|-----------------|--------------------|------------------|--------------------|--------------|
| <b>Annual cost-cutting potential for 1 employee on parental leave</b>   | <b>34 804 €</b> | <b>15 830 €</b>    | <b>- 55%</b>     | <b>7 823 €</b>     | <b>- 78%</b> |
| <b>Practicable cost-cutting potential as compared to the basic scenario</b>                                   | -               | <b>- 379 496 €</b> |                  | <b>- 539 631 €</b> | -            |
| <b>Practicable cost-cutting potential for 1 employee on parental leave, as compared to the basic scenario</b> | -               | <b>- 18 975 €</b>  |                  | <b>- 26 982 €</b>  | -            |
| <b>Total annual costs associated with family-friendly measures</b>  | -               | <b>304 113 €</b>   |                  |                    |              |
| <b>Difference between costs and benefits</b>  | -               | <b>75 384 €</b>    | <b>235 518 €</b> |                    |              |

## Conclusion

A model calculation based on real data, and, where applicable, on average values, proves that introducing family-friendly measures has considerable economic benefits for a company. Compared to the basic scenario, whereby the given company does not operate any such measures, the costs of the model company associated with employees taking parental leave can drop by 55% thanks to family-friendly measures.

In assessing the cost/benefit ratio, regard must be given to the fact that the model calculation generally used rather conservative versions of the data. Likewise, indirect or hard-to-measure, but clearly provable positive effects of family-friendly measures, such as higher employee motivation and loyalty to the company, have not been taken into account. Moreover, an extensive "package" was added to the costs for family-friendly measures, including an all-day company kindergarten.

Finally, it must not be forgotten that in the current situation, characterised by challenging economic conditions in which the available skilled labour force exceeds demand, recruitment costs will continue to grow. In the light of these facts, it is safe to assume that the financial benefits of family-friendly measures will become even more considerable in the coming years.

## Notes

<sup>1</sup> Ten medium-sized companies known for their family-friendly policies were included in the research: B. Braun Melsungen AG, Condat Informationssysteme AG, Fraport AG, GeneralCologne Re, Gerhard Rösch GmbH, ratiopharm GmbH, SICK AG, Sparkasse Saarbrücken, Vaude Sport GmbH & Co. KG, and Wintershall AG

<sup>2</sup> According to a survey carried out by the Research Institute for Labour and Social Affairs over 2005-2006, the average duration of parental (and maternity) leave is 33.6 months for women and 27.12 months for men (there is about 1% of men on parental leave).

## Gender Studies, o.p.s.



Gender Studies, o.p.s. is a non-governmental non-profit organisation that has performed the function of an information, consultation and education centre in the area of relations between women and men and their position in society. The goal of the organisation is to gather, analyze, work with and disseminate further information related to gender-relevant issues. Via specific project, GS actively influences change concerning equal opportunities in different areas such as institutional mechanisms, labour market, women's political participation, information technologies etc. GS also runs a library covering variety of publications and materials related to feminism, gender studies, women's and men's rights etc.

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