



CHAPTER I - Introduction

Iwona Florek¹

Elwira Gross-Gołacka²

This Final Report is a part of the project “Diversity management in V4 countries as an answer for demographic changes” (Research Project No.21610490). The main aim of the Report is to review the demographic changes in selected V4 countries with diversity management perspective.

The global ageing population and the new generation of young professionals entering the market are changing the shape of the workplace. Companies need to look forward and prepare for the workforce of the future and understand the organizational changes this will bring. By 2060, there will be just 2 workers for every person aged 65 or over - half today's figure. Despite immigration, the population of about half of EU countries are expected to shrink. Overall EU population will grow only slightly before peaking in 2050. Demographic developments are having a profound effect on the structure of the population in many EU Member States, with older persons accounting for an increasing share of the total population, as the population pyramid becomes inverted among younger and middle-aged persons. As such, changes in employment rates for older workers will have a greater impact on overall employment rates as the proportion of older people in the total population continues to grow. In response to this process of demographic ageing, some governments have already taken action to raise the exit age from the labour force; this development may be expected to continue if there are further improvements in health and living conditions, as well as further gains in life expectancy.

Therefore, an aging workforce, youth unemployment, low level of activity of woman is the significant problem thought Europe which is necessary to address. The region of Central and Eastern Europe faces similar demographic challenges as the Western Europe. Among the four Visegrad (V4) countries, Poland (POL) is the biggest with the population of 38.5 million. Hungary (HUN) and the Czech Republic (CZE) have a population of around 10 million inhabitants and Slovakia (SVK) of 5.5 million inhabitants. The demographic structure in all four Visegrad (V4) countries is rather similar, indicating the occurrence of post-war boom and then the echo of this boom in 70s/80s. Youth population (counted as those aged 15-29) in those countries is relatively large – young people constitute around 22% of population in POL and SVK and about 19% of CZE and HUN populations. The age pyramids anyhow indicate advancing of the processes of ageing of the V4 societies, as the children population is diminishing with time. The ageing process is illustrated also by the growing old-age dependency ratio, which will rise sharply when the post-war boom generation will reach retirement age.

¹ Iwona Florek, M.Sc., University of Euroregional Economy in Józefów, ul. Sienkiewicza 4 05-410 Józefów, Poland. e-mail: iwona@wsge.edu.pl

² Elwira Gross-Gołacka, PhD, University of Euroregional Economy in Józefów, ul. Sienkiewicza 4 05-410 Józefów, Poland. e-mail: elwira.gross-golacka@wp.pl



The generations working together today that are relevant for the purpose of our study are: Baby Boomers, Generation X, and Generation Y, or the so-called Millennials. Baby Boomers refers to the post-war generation, born between 1946 and 1964; Generation X (Gen X) refers to individuals born between 1965 and 1980; and Generation Y (Gen Y) refers to persons born between 1981 and 1997. Although no longer in the workplace, I refer also to the Traditionalists, born between 1922 and 1945.

An organization's ability to effectively deal with such demographic changes will directly impact on its performance. Only companies that have diverse employees by gender, age, culture will be able to retain the best talent necessary to remain competitive. Forecast of diversity experts imply that the extent to which demographic workforce shifts are effectively and efficiently managed will have an important impact on the competitive and economic outcomes of the organizations and the managers will increasingly face the challenge of dealing with large of diverse groups in the workplace. The demographic changes will continue to make the market place, the labour market and the workforce of future more diverse than they hitherto have been.

The overriding theme of this study to which extend V4 countries enterprises have knowledge about demographic changes and diversity management and on what level of development diversity management is integrated in the V4 countries enterprises. This study focuses of the workforce diversity in connection with demographic changes in the V4 countries enterprises. Actually, one of the main questions is, why many organizations are apparently reluctant to adopt it in their managerial practices. Today, it is well-known that diversity management may result in profits as well as competitive advantages for the organizations. One reason why the organizations do not adapt diversity management might be that the literature which presents no empirical studies supporting the claim of workforce diversity's value and importance to organizational profitability. As Cox and Blake put it, "the management literature has suggested that organizations should value diversity and organizational competitiveness is rarely made explicit and no article has reviewed actual research data supporting such a link".

The regional determinants and the effects of implementation of diversity management (DM) by organizations located in V4 countries will fill a gap in knowledge in this field. They help to select the best practice and to disseminate them. Diversity management is the key to growth in today's fiercely competitive global market.

The final aim of the Project "Diversity management in V4 countries as an answer for demographic changes" is to offer concrete suggestions on how organizations can overcome demographic changes and tap the business potential of diversity management.

In order to "open up" this problem and to find a possible solution following research questions should be answered.

1. How is the workforce structured and forecast in V4 countries?
2. How well-known is the concept of diversity management in V4 countries?



3. Is there a need for diversity management in V4 countries enterprises referring to internal and external demographic changes? (definition internal: demographic changes within the companies; external: the demographic development in V4 countries)

Within the frame of first question above, it would be worth knowing demographic situation in each V4 country and how companies forecast it.

Within the frame of second question above, it would be worth knowing whether or not the organization hitherto about diversity management concept. If so, to what extend is it well-known and how important is diversity management for organizations? Do the organizations have knowledge about benefits of this concept?

Within the frame of the third question above, it would be worth knowing whether the organizations have an imperative need hitherto and in the next decade for diversity management, due to demographical development in V4 countries which consequently and similarly influences the workforce diversity and organizations. Are the companies prepared for the changes? What can companies do to prevent disadvantages due to the workforce diversity? Is diversity management a solution for V4 countries organizations?

Besides meeting the academic requirement, it is hoped that the paper's findings will provide opportunities for recommendations to the managers, employee that are probably will be more and more confronted with heterogeneous workforce and more and differ then today diverse workforce in the future.

Demographic Crisis

There are three drivers of population change:

- Trends in fertility
- Trends in life expectancy
- Trends in migration³

In industrialized nations, the total fertility rate (TFR) is the demographic indicator that shows the projected number of children a woman will have during her childbearing. It was calculated by Max Planck Institute to be 2.1 for a population to be stable. A total fertility rate of around 2.1 children per woman is considered to be replacement level, that is, the average number of children per woman required to keep the population size constant in the absence of inward or outward migration. The rate is minimally above two children per two parents, as not all children live to adulthood.

Under communism, the TFR in the 3 countries (Czechoslovakia as one state, Poland and Hungary)

³ Demographic trends in EU27 and V4.

See also Annex 2: Economic indicators in Czech Republic, Hungary, Poland, Slovakia and EU28.



Data from database: World Development Indicators

Life expectancy continues to rise, especially from gains at older ages in life in EU 27 and V4 too. Infant mortality rates halved in EU27 from 8,7 to 4,3% between 1993-2009. The fall in the Central and Eastern Member States is greater, than in other states.

The third driver of population change are trends in migration.

Immigrants tend to be less-well educated and employed in jobs below their qualification.

The EU population ages at varying speed. Population that are currently the oldest, such as Germany's and Italy's, will age rapidly for the next twenty years, than stabilise.

Some populations, that are currently younger, mainly in the East of the EU, will undergo aging at increasing speed and by 2060 will have the oldest populations in the EU.

The accession of the Czech Republic, Hungary, Latvia, Poland and Slovakia to the European Union in 2004 gave rise to a large wave of labour migration from these countries to the EU15 states, in particular those that were first to open their labour markets to 'new' EU citizens (especially to the United Kingdom). It is estimated that between 1 May 2004 and 1 January 2007 at least one million people emigrated from Poland. Between 80 and 90 per cent of those migrants did not have a job in Poland. In general, emigrants constituted over 4 per cent of the working-age population. According to the estimates of the Polish Central Statistical Office, in 2011 as many as 2.06 million permanent residents of Poland had stayed abroad for over three months, a large majority – for over one year. Out of this number 1.75 million people stayed within the European Union. Besides being traditionally a region of emigration to western countries, CEE is also a place where intense intraregional migration takes place, accompanied by a significantly lower inflow of immigrants from outside the region. Although, according to the United Nations' estimates, Central and Eastern Europe hosted around 10 per cent (21 million) out of the 213.9 million global stock of international migrants. From the last decade of the 20th century thousands of Bulgarians, Romanians and Ukrainians started to migrate in search of income to other countries in CEE including the Czech Republic, Hungary and Poland. Initially, dominant among them were petty traders and irregular workers engaged in unskilled jobs. They were later joined by contract workers and entrepreneurs including migrants from China (in Hungary and the Czech Republic) and Vietnam (in the Czech Republic and Poland).

Chart 1.3: Net migration in Czech Republic, Hungary, Slovak Republic and Poland 1967 - 2012



vacancies. Sometimes the only issue is geographic mobility. People are not willing to move to another city/country because of social relationships. Among other employment issues, the most acute are long-term and youth unemployment and we need to pay serious attention to solving them.⁸

⁸ Klimko, 2015, 16-29.



Chapter II - CZECH REPUBLIC

Diversity Management in the V4 Countries as an Answer for Demographic Changes

National Report – Czech Republic

PhDr. Jana Marková, Ph.D.⁹

PhDr. Jan Slaviček, Ph.D.¹⁰

Following the Project „Diversity Management in the V4 Countries as an Answer for Demographic Changes“, the College „Vysoká škola mezinárodních a veřejných vztahů Praha“ (College of International and Public Relations Prague) submitted a questionnaire to 101 managers and owners of Czech companies (not only private, but also state-owned enterprises and NGOs).¹¹ The interpretation of the results of the questionnaire are the topic of the following article. Its purpose is to provide data necessary to analyze the policies of companies regarding the diversity management, so that it is finally possible to compare such policies in V4 countries in connection with demographic and social-economic trends.

II.1. Profile of the Managers¹²

The questionnaire¹³ was answered by 101 respondents. 54 of them (53,47%) were men and 47

⁹PhDr. Jana Marková, Ph.D., Vysoká škola mezinárodních a veřejných vztahů Praha. U Santošky 17, 150 00 Praha 5, Czech Republic, e-mail: markova@vsmvv.cz

¹⁰PhDr. Jan Slaviček, Ph.D., Vysoká škola mezinárodních a veřejných vztahů Praha. U Santošky 17, 150 00 Praha 5, Czech Republic, e-mail: jan_slavicek@yahoo.cz

¹¹The authors realize the fact that the presented results can be partially distorted because of: 1. The selected (small) sample of respondents; 2. The complicated way of getting responses (most of the companies did not answer at all); 3. Some of the questions were open-ended, therefore offering more interpretations of answers (and in some questions, there was no possibility of more answers). Nevertheless, the authors are convinced, that regardless of the mentioned shortcomings the results show basic trends and can be used for the comparison with other V4 countries and for future research.

¹²All the data in the Part I are based on the question number 16 of the questionnaire.

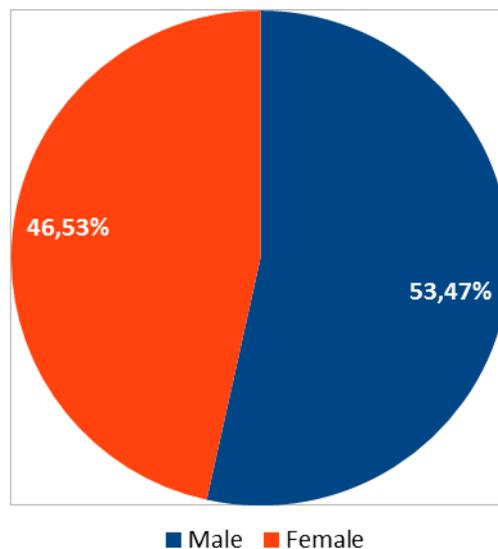
¹³In this article, all the mentioned data are based on the answers of the questionnaire. Therefore no sources are mentioned by the tables and graphs. If there is another source, it's mentioned specifically. For the questionnaire and its results see https://docs.google.com/a/smvvpraha.cz/forms/d/1OmYOPTRGgqyYCRat6Kh_hOr4biN5aT_cDtzNARRuvy0/edit#responses



(46,53%) were women (see graph 1).¹⁴ In terms of age, the largest group consisted of people between 40 a 49 years of age (32,67%), followed by the age group between 30-39 years (27,7 %) and 50-59 years (20,79%). Basically, the managers at the age of 40+ (expected to have logically more experience) made almost 60% of the respondents (see graph 2).¹⁵

Graph 2.1: Sex of Respondents – Czech Republic

Graph 1: Sex of Respondents



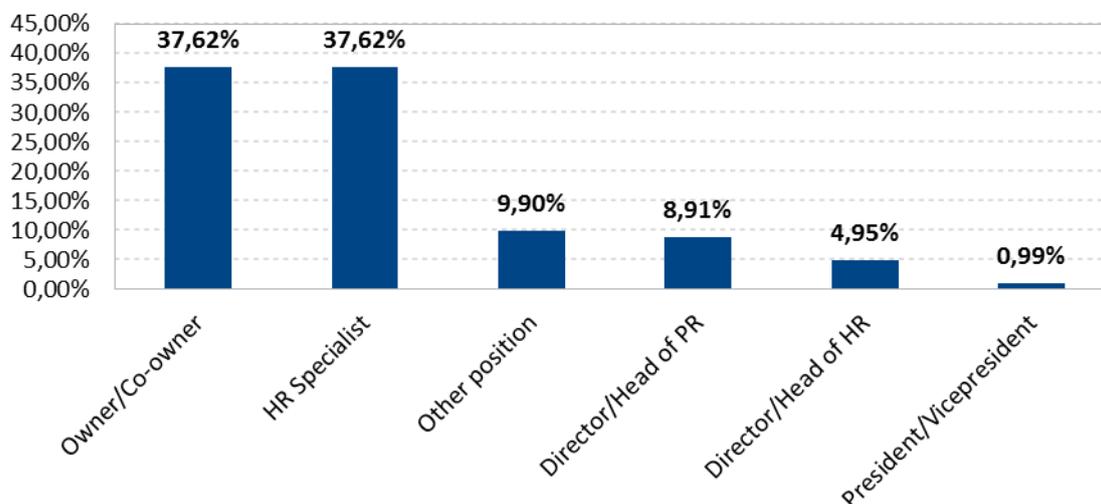
¹⁴The number of women could be quite surprising, considering the fact, that the share of women in top management in Czech Republic (executive directors, members of board of directors, members fo supervisory board) is about 5-20%. The explanation is, that 1. not only (and basicly not) top management of large companies answered the questionnaire and 2. more than 37% of respondents were HR specialists, which are in Czech Republic mostly women. See *The share of Womenn in Top Management*. Deloitte Corporate Governance Centrum, 2014. <https://www2.deloitte.com/cz/cs/pages/about-deloitte/articles/cze-zeny-ve-vedeni-firem-zdravitnictvi-farmacie-pojistovnictvi.html>, 28. 5. 2017.

¹⁵Regarding to Deloitte Corporate Governance Centrum, in 2012 was the share of top managers in the age over 40 more than 86%. Once again, the difference in questionnaire should be based mostly on the range of respondents (HR specialist are usually much younger than directors). See <http://cfoworld.cz/trendy/prumerny-cesky-manazer-se-narodil-v-roce-1962-a-letos-oslavi-padesatku-1494>, 28. 5. 2017



Graph 2.3: Position of Respondents in the Company – Czech Republic

Graph 3: Position of Respondents in the Company



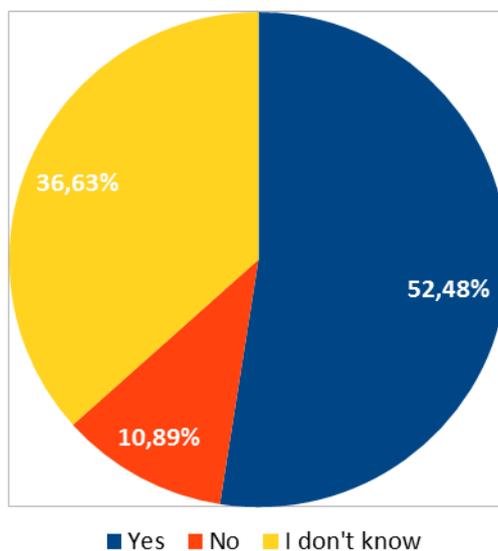
Most of the companies (83,17%, see graph 4) were private enterprises, only 2,97% of them were NGOs and 12,87% were state-owned enterprises. From 101 respondents, only 1 was a member of a non-Czech company. Regarding the size of companies (see graph 5), the respondents were distributed almost evenly among small (1-49 employees, together 39,6%, from that less than 10 employees 2,97%, 10-49 employees 36,63%), medium (50-249 employees, 30,69%) and large (more than 250 employees, 29,7%) enterprises.¹⁶

¹⁶Those results are very different from national statistics, according to which almost 98% of all the enterprises are small, cca 1,7% are medium and only cca 0,4% are large enterprises. This could be caused by the fact, that medium and large companies do possess more staffed management and therefore have *ex definitione* more probably employees responsible for the agenda of diversity management willing and ready to answer the questionnaire. For the share of different sizes of companies, see OECD data: <https://data.oecd.org/entrepreneur/enterprises-by-business-size.htm>, 29. 5. 2017



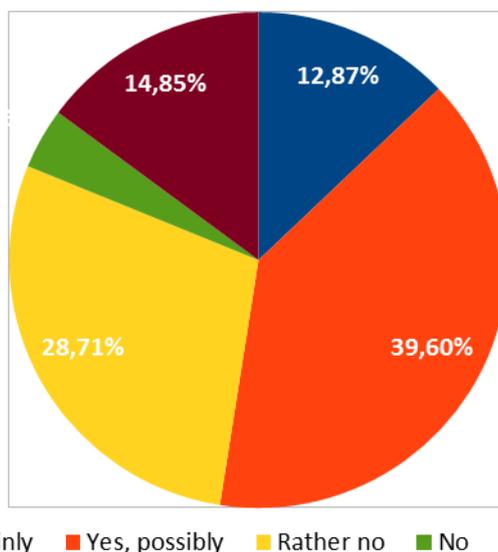
Graph 2.8: Importance of Diversity Management for the Company – Czech Republic

Graph 8: Importance of Diversity Management for the Company



Graph 2.9: Can DM Increase the Performance of the Company – Czech Republic

Graph 9: Can DM Increase the Performance of the Company?



It is very interesting to compare the answers regarding the usefulness of DM (question 4) and diverse team for the company's performance (question 6). The share of respondents finding diverse teams useful is considerably higher than the share finding DM useful (see table 1). The

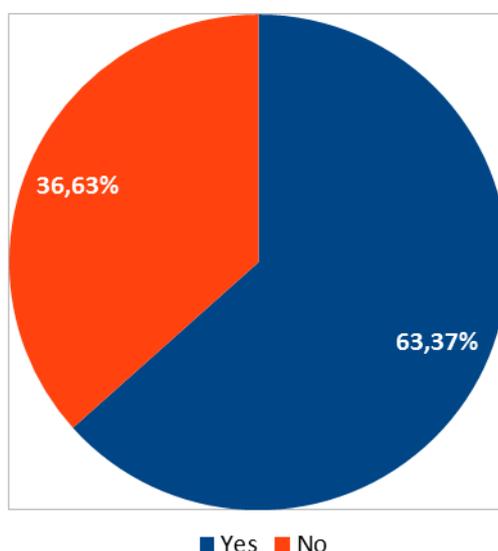


Feedback (praise and criticism)	10,61%	10,61%	16,67%	15,15%	21,21%	10,61%	15,15%
Employee training	24,59%	13,11%	14,75%	14,75%	11,48%	14,75%	6,56%
Solutions to work life-balance	12,70%	11,11%	19,05%	11,11%	30,16%	9,52%	6,35%
Good atmosphere at work	12,33%	9,59%	6,85%	16,44%	31,51%	13,70%	9,59%
Non-monetary incentives (car, laptop, insurance, tickets ect.)	22,00%	20,00%	16,00%	6,00%	10,00%	18,00%	8,00%

Another pair of questions pointed at the feeling of differences in motivation based on gender and age (questions 8 and 9, for results see graphs 10 and 11). The results were quite similar: approximately 60% of respondents noticed some differences, more of them regarded to the age (63,37%) than to the gender (58,42%).

Graph 2.10 Differences in Motivation Level Connected with Age – Czech Republic

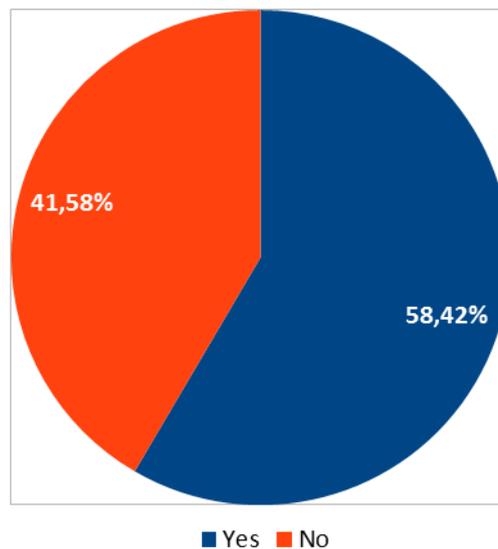
Graph 10: Differences in Motivation Level Connected with Age?





Graph 2.11: Differences in Motivation Level Connected with Gender – Czech Republic

Graph 11: Differences in Motivation Level Connected with Gender?



The question 11 dealt with the groups of employees with valuable ideas, competencies and opinions for companies. The respondents were asked to choose the groups most valuable from this point of view.²¹ Regarding the graph 12, those groups are: 1. Employees in the age of 40-49 years (60,40%); 2. Employees in the age of 30-39 years (43,56%) and 3. Men (30,69%).²² On the contrary, the least „successful“ in this parameter were disabled employees.²³

²¹With a maximum of three answers to choose, therefore the percentages in the graph 12 are the share of 101 total respondents (and their sum is over 100%).

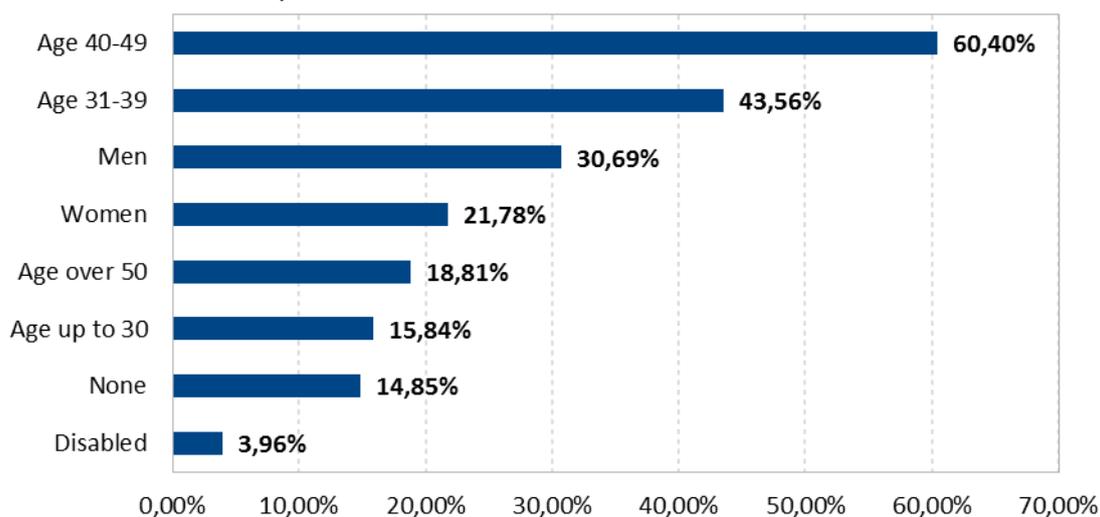
²²Surprising is the small percentage of the group in the age of 50 years and more. Those employees should be *ex definitione* the most experienced and regarding the ideas generally most valuable. The explanation seems to be in the technology development, which is for this group difficult to keep updated with.

²³Disabled people can of course be very useful in bringing new ideas or opinions, just because of their different point of view. Such a low amount of answers seems to indicate, that the enterprises in Czech Republic are still not used to dealing with those employees and see them often as „inferior“.



Graph 2.12: Groups of Employees with Valuable Competencies, Opinions and Ideas – Czech Republic

Graph 12: Groups of Employees with Valuable Competencies, Opinions and Ideas



A very important problem, at which solution the diversity management is oriented, is discrimination in work. The respondents were asked about the most widespread types of discrimination (question 12).²⁴ Graph 13 indicates, that age is seen as the biggest reason for discrimination (61,39%), followed by gender (43,56%) and education (36,63%). On the other hand, belief or sexual orientation are seen as dominant factors rarely. However, different forms of discrimination can affect specific groups differently. Therefore were the respondents asked, which groups of employees are mostly discriminated in various areas (question 13, for results see table 6). Recruitment and layoffs were seen as the biggest factors of discrimination for employees older than 49 years, while determining of remuneration and access to training discriminated disabled people at the most and access to promotion with work-life balance were found as the most discriminating for women.

²⁴With a maximum of three answers to choose, therefore the percentages in the graph 13 are the share of 101 total respondents (and their sum is over 100%).



Graph 2.13: Reasons of Discrimination of Employees – Czech Republic

Graph 13: Reasons of Discrimination of Employees

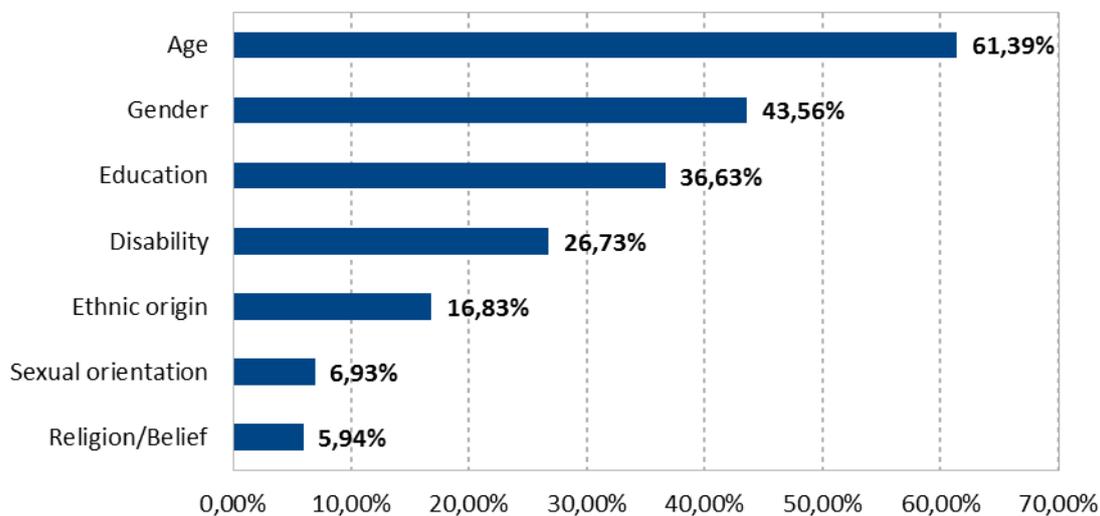


Table 2.6 Areas of Discrimination of Employees – Czech Republic

Group	Recruitment	Layoffs	Determining remuneration	Access to training	Access to promotion	Work-life balance
Age up to 30	21,78%	12,87%	8,91%	4,95%	9,90%	9,90%
Age 31-49	0,00%	1,98%	3,96%	2,97%	3,96%	3,96%
Age over 50	36,63%	37,62%	10,89%	16,83%	16,83%	12,87%
Disabled	27,72%	35,64%	38,61%	50,50%	30,69%	28,71%
Women	12,87%	11,88%	35,64%	20,79%	33,66%	36,63%
Men	0,99%	0,00%	0,99%	3,96%	4,95%	7,92%

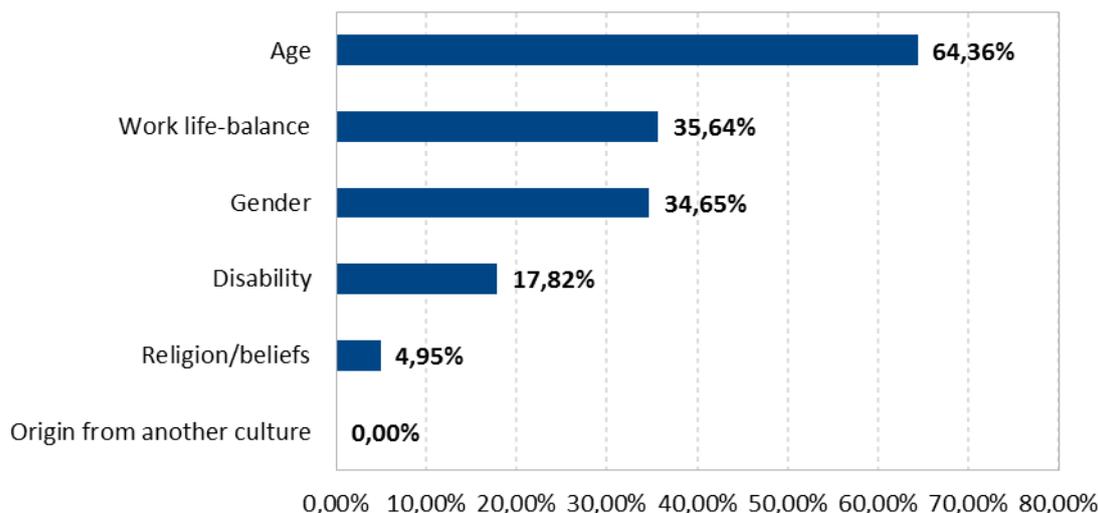
The last question about workforce (number 15 on the questionnaire) pointed at specific needs of employees groups. Are they submitting their specific needs related to their age, gender etc.?



Regarding the graph 14,²⁵ the special needs are mostly related to age (64,36%), work-life balance (35,64%) and gender (34,65%). The rarest reasons are beliefs (4,95%) and origins from another culture (0%).

Graph 2.14: Employees are Submitting their Special Needs Related to – Czech Republic

Graph 14: Employees are Submitting their Special Needs Related to



Summary

The questionnaire, which was answered by 101 respondents of various work positions in different sizes and types of companies (private, state-owned and NGOs with the vast majority of the first), was aimed at the diversity management, its knowledge, application and results in Czech enterprises. The most important results are:

1. Knowledge and practice of DM is not very widespread in Czech Republic.
2. Most of the respondents recognize differences in motivation factors for specific groups of employees.
3. Majority of respondents see the values and benefits of different groups of employees, as well as their specific needs.
4. Majority of respondents know that specific groups can be objects of various types of discrimination.

The above mentioned results (relatively low importance and knowledge of diversity management

²⁵With the possibility of multiple answers to choose, therefore the percentages in the graph 14 are the share of 101 total respondents (and their sum is over 100%).



CHAPTER III - HUNGARY

Diversity Management in the V4 Countries as an Answer for Demographic Changes

National Report – Hungary

Ildiko Laki PhD²⁶

III.1. Introduction

An increasing number of women, older persons, young persons, minorities, people living with disabilities and migrants became employees in the last 50 years in and outside Europe. This fact induces changes in society and in the role of organisations and companies as employers; employees are not considered just as a machine or a worker anymore, but a person with much more values.

In Hungary, after the regime change in 1989, there were significant changes both in the labour market and in the life of society; these changes have primarily brought a needs- and expectations-based system of the labour market in transition to the fore. The conversion of entities or the “Westernisation” of entity types required new organisational structures and hiring new employees, which led to the increased priority attached to the relation between work and the individual, appropriate valuation of work carried out, and changes in the composition of employees.

‘The understanding of diversity has been evolving since the 1970s when the term was mainly used to refer to minorities and women in the workforce. For a long time, it was common for managers to assume that workplace diversity is about increasing gender, national or ethnical representation, that it is concerned with recruiting and retaining more people from so-called underrepresented “identity groups”.’ (IDM, 2007, p.4)

Organisations have very active diversity policies nowadays. Diversity issues are present in five main areas: strengthening cultural values within the organization, enhancing corporate reputation, helping to attract and retain highly talented people, improving motivation and efficiency of existing staff, and improving innovation and creativity amongst employees.

III.2. What Exactly is Diversity Management?

²⁶ Ildiko Laki, Phd, University of Szeged, Hungary, H-6720 Szeged, Dugonics square 13.
e-mail: b.laki.ildiko@gmail.com



‘Diversity Management is the active and conscious development of a future-oriented, value-driven, strategic, communicative and managerial process of accepting and using certain differences and similarities as a potential in an organisation, a process which creates added value to the company.’ (IDM, 2007, p.6)

The issue of diversity management is obviously affected by how a company can deal with diversity. Another main question is how and to what extent the members of an organisation can integrate this diversity and thinking about diversity in their daily lives both at an individual and company level.

Accepting this is based on the interaction of a number of factors, since managers need to get results and suitable employees who carry out their duties in a highly professional manner, be they black, white people, women or persons living with disabilities. The objective is the survival of a company at all times, which can be achieved by a good strategy, thus by the principle of diversity management.

In the autumn of 2016, 50 companies/organisations in Hungary have committed themselves to be founders of the European Diversity Charta in Hungary to promote diverse workplaces and acceptance of diversity. Companies/organisations voluntarily undertake by signing the Charta to respect equal treatment and take concrete steps to create a diverse organisational culture.

‘The European Diversity Charter was initiated in 2004 in order to capture and promote the European Union’s anti-discrimination and diversity policies among employers. Its main objective is to raise leaders’ awareness and to increase their commitment to mainstreaming diversity in their organizations by providing support and inspiration for developing and rethinking human resource management.’ (<http://sokszinusegikarta.hu/services/diversity-charter-in-hungary/>)

Signatory Companies of the European Diversity Charter in Hungary:

AIG Europe Ltd.’s Hungary Branch; Aon Magyarország Kft.; Avis Budget Group BSC Kft.; BFH Európa Kft.; BP BSC Kft.; British Council; Cake Shop; Civil Support Közhasznú Nonprofit Kft.; Coaching Team; Cseriti Szociális Szövetkezet; Dorsum Zrt.; DLA Piper Horváth és Társai Ügyvédi Iroda; Dr. Pendl & Dr. Piswanger International Vezetői Tanácsadó Kft. ; Egis Gyógyszergyár Zrt.; E.ON Hungária Zrt.; Ericsson Magyarország Kft.; Erste Bank Hungary Zrt. ; evopro group; Henkel Magyarország Kft.; Hill International Kft.; HR Partner Consulting Kft.; IBM Magyarországi Kft.; iData Kft.; Jeantet d'Ornano Iroda; K&H Bank Zrt.; Krauthammer Partners Magyarország Kft.; Legrand Zrt.; Lexmark International Technology Hungária Kft.; Magyar Posta Zrt.; Magyar Telekom Nyrt.; MÁV Magyar Államvasutak Zártkörűen Működő Részvénytársaság; McDonald's Magyarországi Étterem Hálózat Kft.; MetLife’s Hungary Branch; MICHELIN Hungária Abroncsgyártó Kft.; MOL Magyar Olaj- és Gázipari Nyrt.; Next-Consulting Kft.; Ongropack Kft.; Pannon Kincstár Kft.; Provident Pénzügyi Zrt.; PwC Magyarország; Robert Bosch Automotive Steering Kft.; Robert Bosch Elektronika Kft.; Robert Bosch Energy and Body Systems Kft.; Robert Bosch Kft.; Robert Bosch



Starter Motors and Generators Kft.; Shell Hungary Zrt.; TransAtlantic Consulting Kft.; Violin Travel Kft.; Vodafone Magyarország Zrt.; Vodafone Shared Services Budapest VSSB Zrt.²⁷

III.3. Opinions and Attitudes on the Issue of Diversity

The majority (more than half) of Hungarian companies/organisations do not concern themselves with the effective management of “disadvantaged” employees of different ages, moreover, organisations have not — or only rarely — identified what needs people belonging to different groups of employees might have, however employees do have expectations.

Practices are discriminatory rather than supportive in the hiring of young people, new entrants to the labour market (19-26 year olds) and older people (over the age of 50); hiring people living with disabilities and members of the LGBTQ community is an even more divisive issue for organisations, though the hiring of the members of these groups is typically included in the strategies of larger companies. There are further expectations among people in active employment as well; persons with children and single persons have different needs and expectations of their employer. Managers intend to make the organisation effective by ignoring or only partially taking these expectations into account, which is no longer sufficient in the 21st century. The concept of diversity is often difficult to interpret for them; the principle of efficiency is highlighted in the relation between employees and work to be carried out.

The issue of diversity management is arising in small, medium and large companies, which makes this an exciting field of study.

The present study examines the diversity management policy of 100 small, medium and large companies in Hungary. Diversity management varies significantly in Hungarian practice; its implementation can only be seen in the organisation of large (multinational) companies.

III.4. Methodology and Some Key Issues of the Survey

From the point of view of the present study, Hungarian organisations and companies have not been found active; this interesting and actual subject seemed to raise doubts and identified weaknesses on the side of the companies questioned.

In this study, 355 Hungarian small, medium and large companies received a questionnaire, out of which 100 organisations answered our questions with regard to the dual questionnaire.

²⁷ Source:

http://www.hblf.hu/hirek/elindult_az_europai_sokszinusegi_karta_magyarorszag.305.html?pageid=80 15
June, 2017



the statutory retirement age, which extends the participation of older age groups in the labour market.²⁸

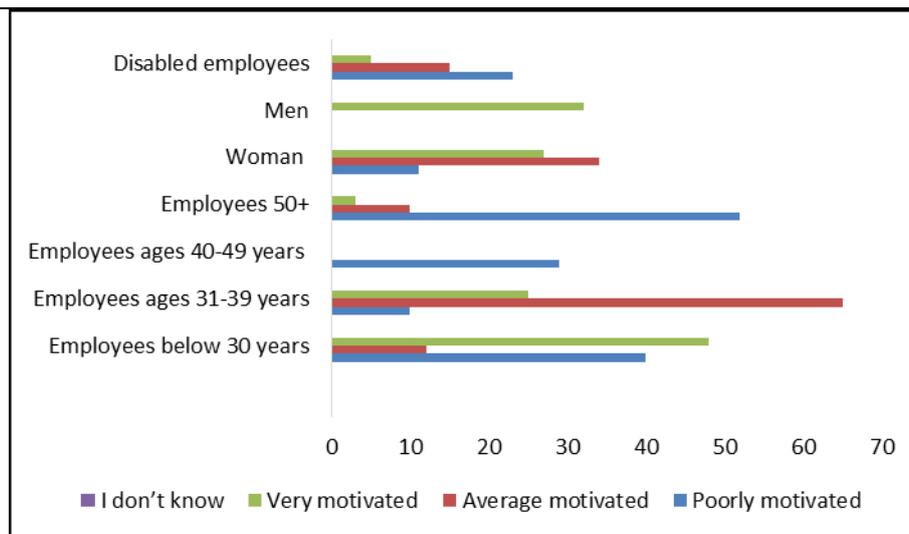
Overall, the organisations/companies thought that motivation changes with age. 96 out of 100 respondents agreed with the statement of Question 8, which suggests that the age of a company's employees does indeed matter with regard to the progress of an organisation and the continuous building of its future. Naturally, this does not necessarily mean that young or older people are not yet or are no longer motivated, as this could be the case for 40-49 age group as well, but this could also mean that there are no motivating challenges for employees. In the latter case, the motivational strategy should be reshaped and reconsidered within such an organisation. It is about one of the indicators for diversity, which can clearly help the community, company culture and efforts.

Question 9 was about gender differences related to motivation; 68 respondents indicated that there were gender differences in their workplace, and 32 respondents that there were no such gender differences in their organisation. In this respect, it should be noted that the groups of those giving a negative reply were mainly worked for economic organisations. What the organisations exactly meant by this reply was not clear from the responses, as only 4 companies mentioned the group of women as a group with low willingness or motivation to Question 10 which was about the motivation and willingness of different groups of employees.

With regard to this question, the respondents indicated the following groups of employees as groups with high-level motivation and willingness to work. Some replies to this question were incomplete, thus the relevance of the result cannot be regarded as full.

Chart 3.7: What do you think about the level of motivation and willingness to work for each of the following groups of employees? (person) - Hungary

²⁸ <http://www.ksh.hu/docs/hun/xftp/idoszaki/mo/mo2016.pdf> p.34



The majority of the respondents indicated that men (32 persons) and employees under the age of 30 years (48 persons) were most motivated, but many believed that women and 31-39 age group were also motivated regarding their work. However, almost the same number of the respondents thought that employees under the age of 30 years were totally unmotivated, and 52 participants mentioned employees over 50 years of age in this regard as well. According to the employers, the motivation of people living with disabilities (23 persons) and 40-49 year olds (29 persons) also left much to be desired.

People and employees living with disabilities constitute a special target group within the group of employees in Hungary. Though there has undeniably been a radical change in terms of the employment of people with reduced capacity to work (labour market term) in recent years and over the past few decades, this group of employees is still only employed by large companies or non-profit organisations. This group — depending on the type of disability — is still marginalised rather than being in active employment in the diversity practice of Hungary. If they are participants in the labour market, they are mostly employed by organisations established for employing people with disabilities. In Hungary, multinational organisations often employ people with reduced capacity to work, moreover some of them have binding policy which sets out their employment, as mentioned above.



discrimination. Only a few respondents indicated gender discrimination, discrimination against people living with disabilities and discrimination on religious grounds.

The issue of how educational, ethnic or age discrimination could be approved in case of an organisation respecting the principles of diversity provides the cornerstone of the subject under consideration. All this means exclusion rather than the development of a diverse organisational culture.

In many cases, employees are not treated equally at their workplace, despite the fact that there are no differences between the type and quality of work carried out by them, and that carried out by their co-workers.

The replies given to Question 13 — Please rank the areas in which the various types of employees in your opinion are subjected to unequal treatment in the workplace when the results of their work, work discipline, flexibility, competences are comparatively the same as that of their colleagues in the enterprise. (person) — show that employees exposed to unequal treatment (with regard to recruitment, hiring, dismissal, determination of remuneration, access to training and promotion) primarily were people living with disabilities (74 persons) and people aged 50+ (71 persons) in the organisations/companies. Only a very few respondents mentioned employees under the age of 30 (8 persons) with regard to the problem of access to promotion, and women (5 persons) with regard to achieving work-life balance.

In the survey, one of the last questions was what factors the organisations surveyed considered most important in motivating employees. Reference should be made to a research carried out between 1990 and 2014²⁹, according to which ‘in Hungarian society, the importance attached to the consideration of work as value for its own sake, interesting work and flexible working hours decreases with age, however older people prefer work with social benefits as opposed to young people. Job security is equally very important to all age groups.’

The following replies were received to the question concerning the most important factors in staff motivation: the most important motivating factors were basic salary, bonuses and non-financial incentives, followed by stability of employment situation and autonomy. Workplace feedback and good working environment were primarily of greatest importance to women, employees aged 50+ and people living with disabilities.

People under the age of 30 attached high priority to autonomy, training of employees and promotion, while 31-39 and 40-49 age groups to stability, professional self-fulfilment and participation in management at an individual level.

²⁹ Research on values and attitudes: ISSP 2013-2015 — A munkával kapcsolatos értékek a világban [1990–2014] és a mai Magyarországon-*Work-related values in the world [1990-2014] and in today's Hungary*, Gábor Hajdu—Endre Sik, In: Társadalmi riport 2016.



The respondents believed that professional self-fulfilment is a particularly important aspect and often a more motivating factor than anything else, as it opens up further opportunities towards well-paid positions.

With regard to the question concerning employees with special needs, the respondents unanimously highlighted balance at work (85 persons), age (73 persons) and gender issue (44 persons).

The survey showed that the respondents sympathised with diversity management, were willing to work in a diverse work environment and thought applying diversity practices is a very good idea. 88 persons indicated that it is a totally good idea, and 12 persons that it is a good idea rather than a bad idea.

III.7. The following statements could be made based on the survey

Performance measurement for diversity mainstreaming

Undoubtedly, the introduction of diversity practices in the workplace has the greatest impact on the management of human resources and also entails certain costs as well as benefits.

Leading companies measure the costs and benefits of investments in workforce diversity policies for a number of reasons: first, there is a tendency for measurement to drive action – “what gets measured gets done”; second, good practice requires the measurement of the costs and benefits of all forms of investment, including investments in intangibles; third, measurement provides a justification for the continuing use of scarce resources; and, finally, measurement enables managers to learn lessons for future, similar investments.

Current measurement of the costs and benefits of diversity policies tends to focus principally on two things: activities to establish a workforce diversity policy; and, intermediate outcomes from activities to implement a new workforce diversity policy, such as changes in workforce demographics.

A number of Hungarian companies/organisations (public, economic or NGO) are aware of diversity management. The companies that are aware of diversity management apply the principle in some way.

The companies/organisations do not have any strategy or future plans in this field, thus achieving a diverse organisation and management is not an essential aim for them.

It is also a general characteristic that there are society groups which are not or hardly involved in the organisational culture, and it makes these organisations monolithic.



Organisational changes take place slowly and in a unidimensional way, thus different participants in the labour market have little chance of creating and maintaining an organisation functioning on the grounds of community principle.

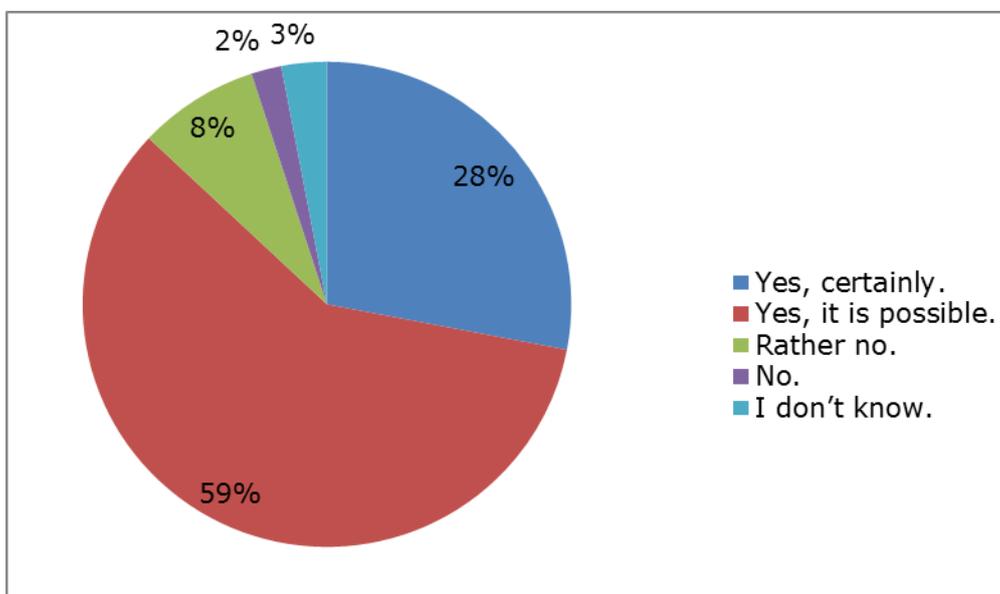
Hungarian small and medium companies/organisations are lagging behind in this area, and it will be necessary to catch up within a short time-frame.

The business case for investment in workforce diversity is embryonic. It is also fragmented. Action can be taken by governments and other actors to overcome some of these weaknesses in the business case, especially through the provision of more information about the experience of companies that have invested in diversity policies. Despite these existing weaknesses, a potentially powerful case for investment in workforce diversity policies is beginning to emerge. The major obstacles to investment in workforce diversity policies by companies are the difficulties in changing the culture of a business and lack of awareness of workforce diversity policies.



The next question: does your company have a diversity management strategy? - is proving a very important fact about actual situation of diversity management. Only in the companies of 43% of the respondents a separate strategy is functioning. An important but not satisfying fact is that in 26% of the companies, elements of the Diversity management strategy are elements of a code of ethics.

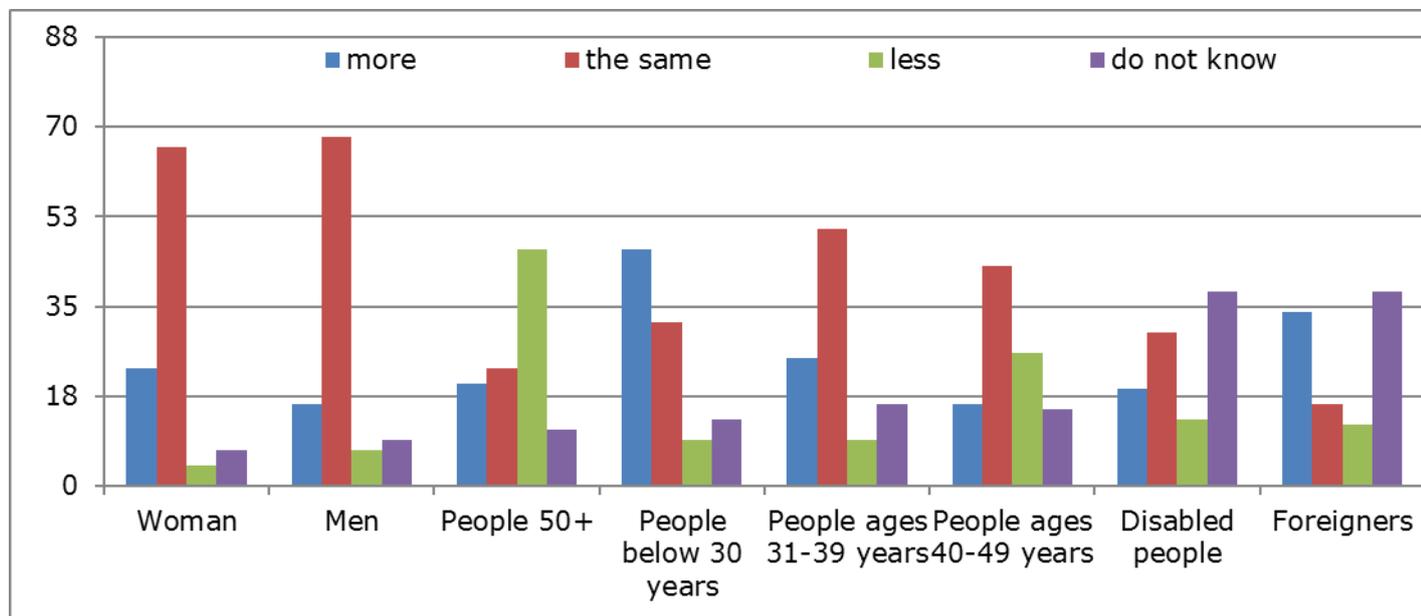
Chart 4.4: Do you think that Diversity management can increase the company performance? - Poland



The next question was regarding the relations between the diversity management and increase in the company performance. The answers show a real respondents' opinion about this issue. Only 28% answered "Yes, certainly". Only this part of the respondents is entirely sure about its purpose and benefit for the companies. It can be noticed that 59% of the research sample answered "Yes. It is possible" – but this part of respondents is observing that the concept is beneficial but insufficient.

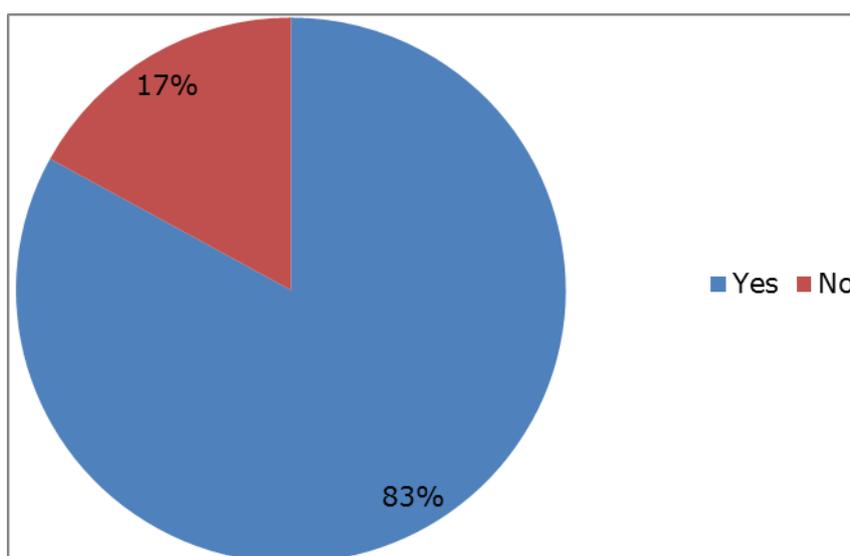


Chart 4.7: Think about the future of the economy and the demographic situation in your country in 5 years. How do you think the labour market participation of individual employees would change? - Poland



For the next question the respondents were asked about their projection about the situation on the labour market of particular social groups in Poland. The result of the questionnaire shows that people expect young people to be employed in the place of people over age of 50. According to the opinion of the respondents, gender changes would not be noticeable. Furthermore, the situation of the disabled people and the foreigners is not clear, although it is expected that they would be employed in bigger number.

Chart 4.8: Do you see any difference in the level of motivation in connection to age? - Poland

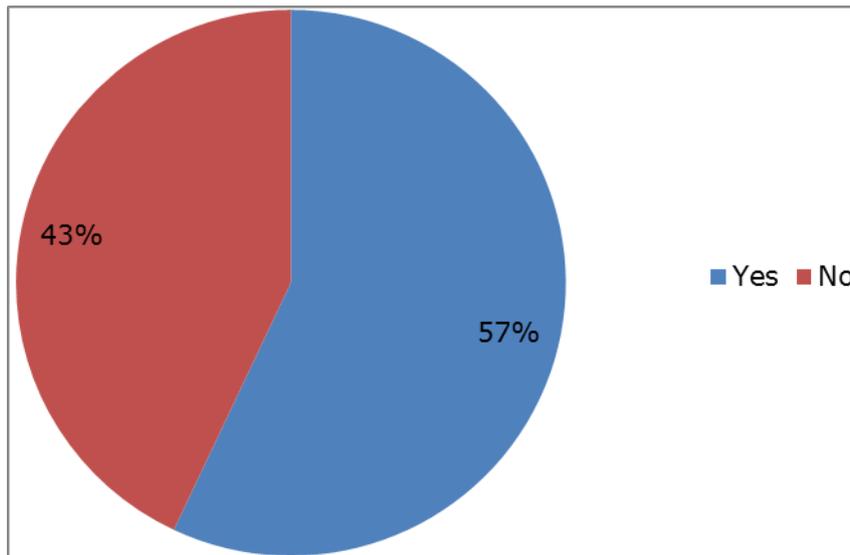


In the question regarding the level of motivation in connection to age, a greater part of the respondents answer that they can notice the difference depending on the age. Only 17% of the



research sample does not consider the age difference as the reason of distinction in the level of motivation. This result proves, in connection with answers for question number 7, that people aged over 50 are in much worse situation than other employees in the Polish market. One of the causes of this issue is that people over 50 are afraid of the competition of employees entering the market.

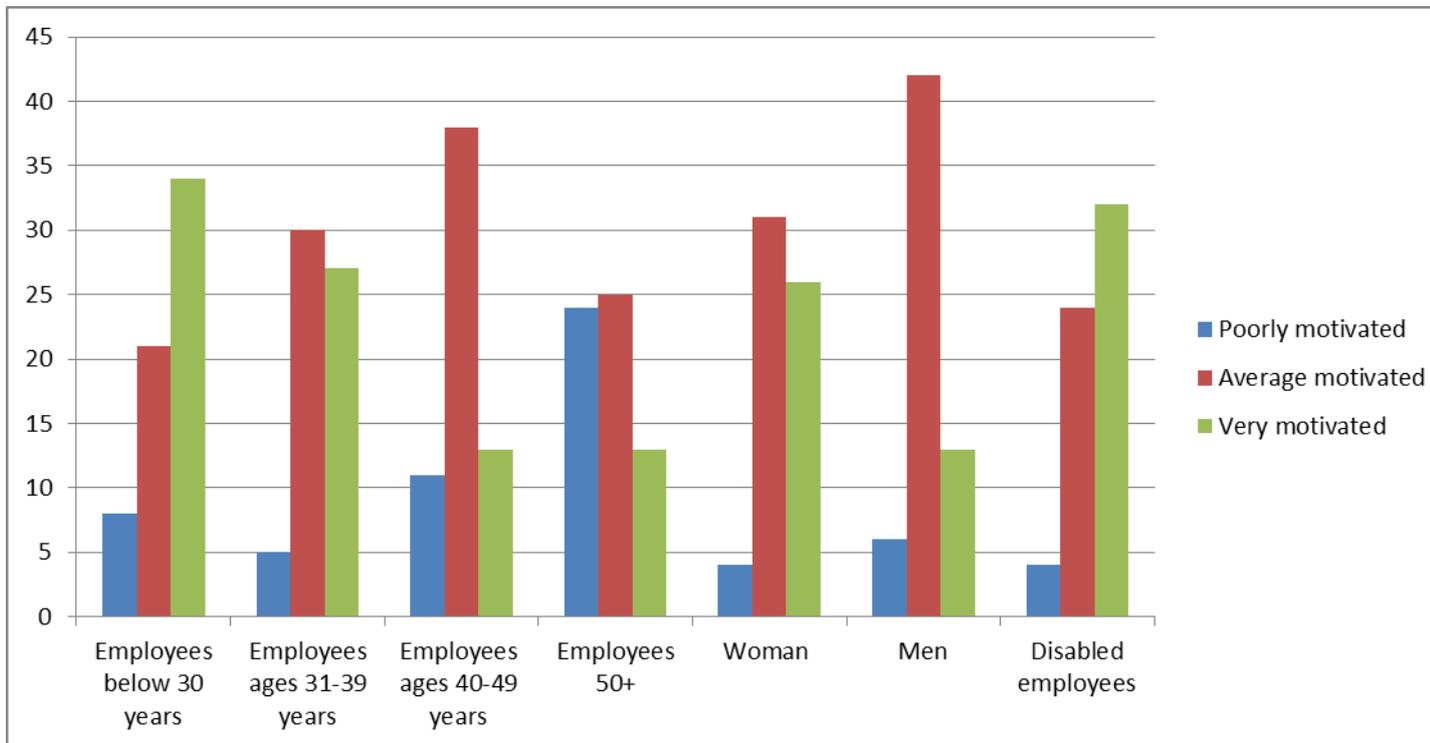
Chart 4.9: Do you see any difference in the level of motivation connecting to gender? - Poland



The results of the question depending on gender vary in comparison to the previous question. In this case only 57% of the respondents notice the difference between motivation of man and woman and 43% does not notice it. Furthermore, there is not big difference in the results. This fact proves that the rapprochement of treatment, assessment and compensation of women and men.



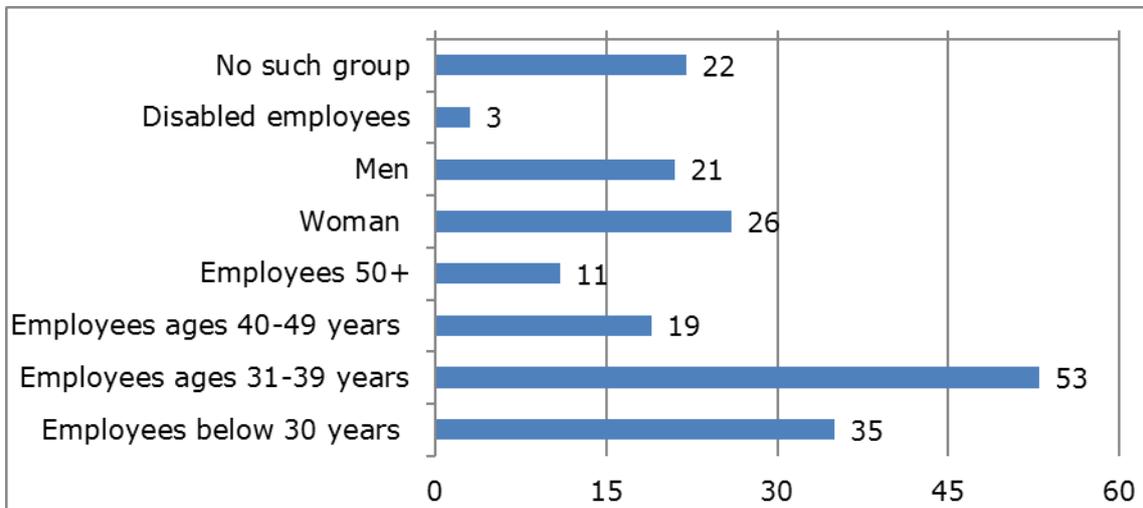
Chart 4.10: What is, in your opinion, the level of motivation and willingness to work each of the following groups of employees? - Poland



The question number ten was related to the level of motivation and willingness to work in connection to different groups of employees. The result proves that before the age of thirty the employees are the most motivated, what confirms the assurance of the managers about their effectiveness. The next group with the high result are employees aged from 30 to 39. The next age groups achieve lower results. A surprising result was achieved when groups were divided by gender. It turned out that women in the category “very motivated” achieved twice as high result as men.

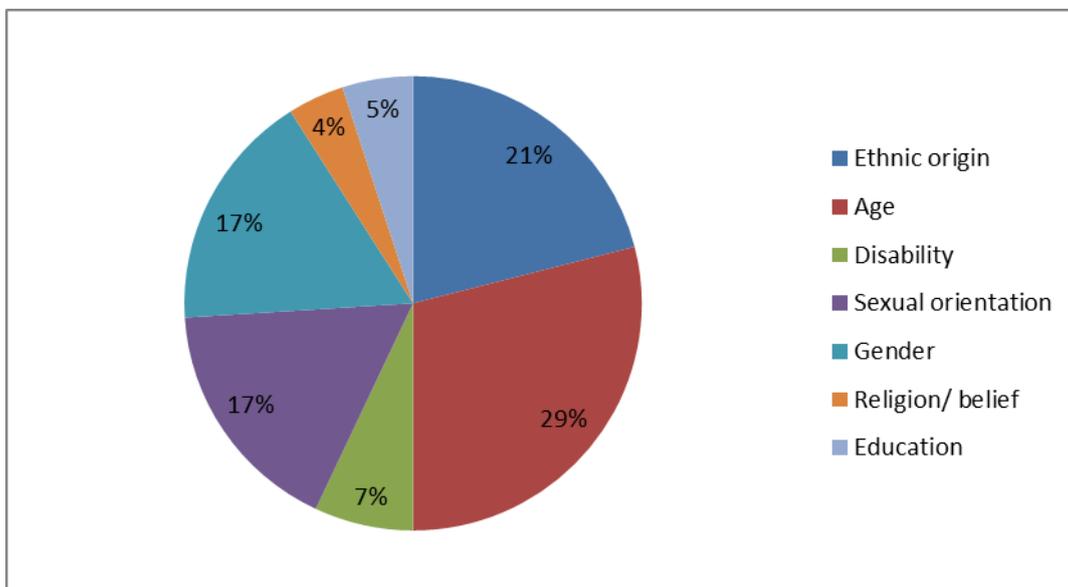


Chart 4.11: If you had to identify a group of employees whose competencies, opinions and ideas are very valuable to the company, what group would you choose? - Poland



The next question regarded a group of employees whose competencies, opinions and ideas are very valuable to the company. The highest result was achieved by the employees aged 30-39 and the second highest result falls the employees below the age of 30. An interesting fact is that women are assessed by the respondents as more dependable than men, but with a difference of only 5%.

Chart 4.12: In your opinion, what is the most widespread type of discrimination and unequal treatment? - Poland

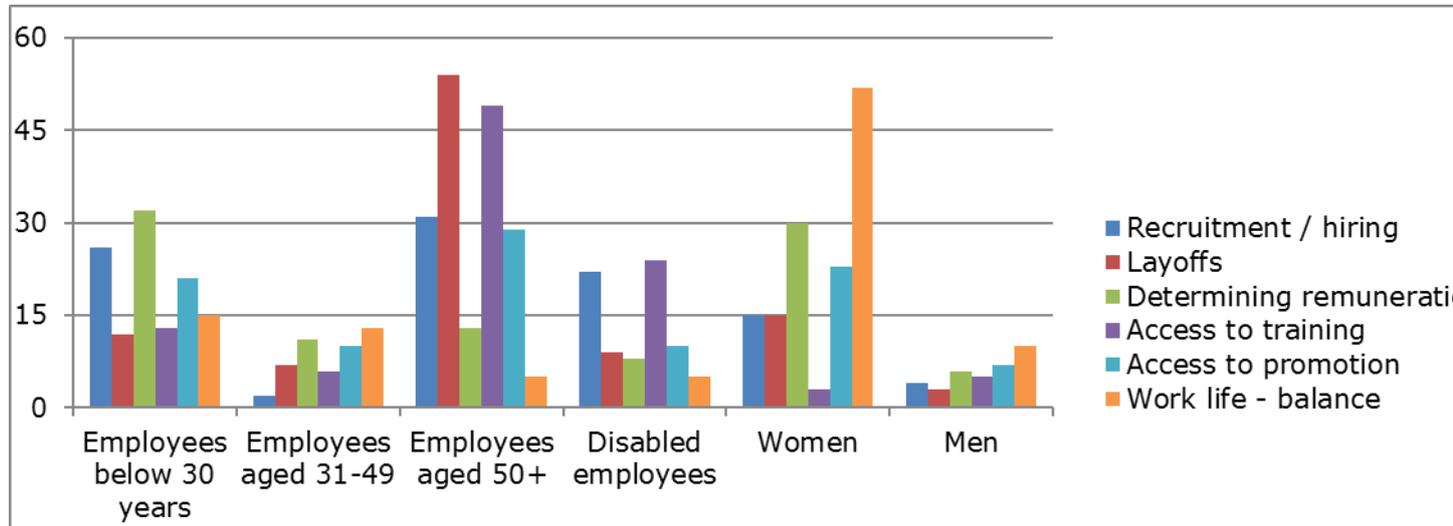


The question number 12, related to the most widespread type of discrimination and unequal treatment, showed one of the most diffused results in this research. The highest result of 29% was achieved by the answer ‘age’. The fact that there are many answers with similar result, proves that the unequal treatment because of ethnic origin, religion or sexual orientation is noticed by the



respondents. This image appears natural and corresponding to the real changes observed in the society.

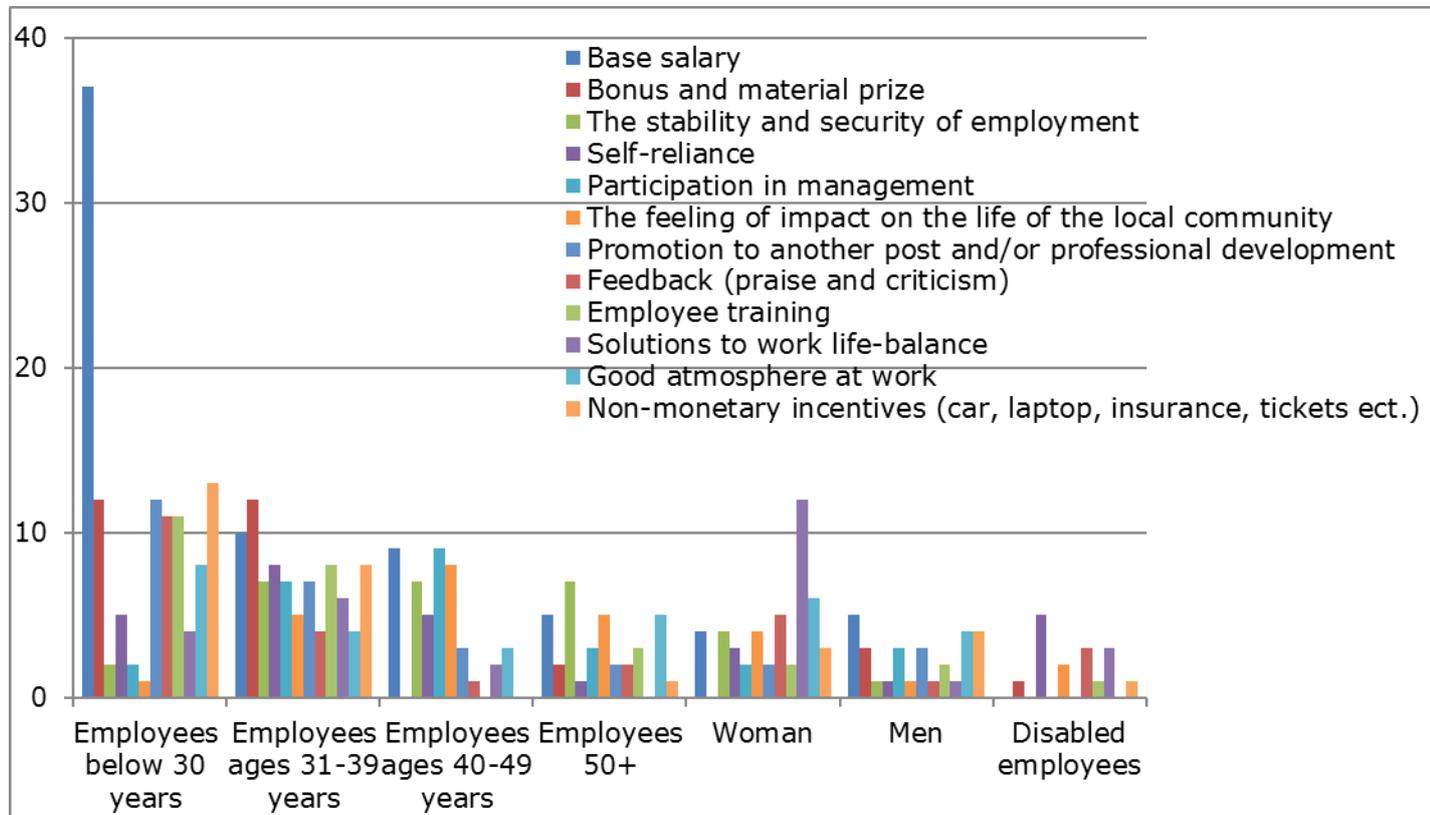
Chart 4.13: Please rank the areas in which the various types of employees in your opinion are subjected to unequal treatment in the workplace when the results of their work, work discipline, flexibility, competence are comparatively the same in the enterprise. - Poland



In the next question the respondents were asked to rank the areas in which the various types of employees are subjected to unequal treatment. The result showed that the employees who are exposed to the discrimination the most, are aged between 31 and 49. This unequal treatment is most probable during the recruitment process. The next fact is that the employees aged over 50 are treated unequally in access to training and to promotion. The result of women in connection with work-life balance is also noticeable.



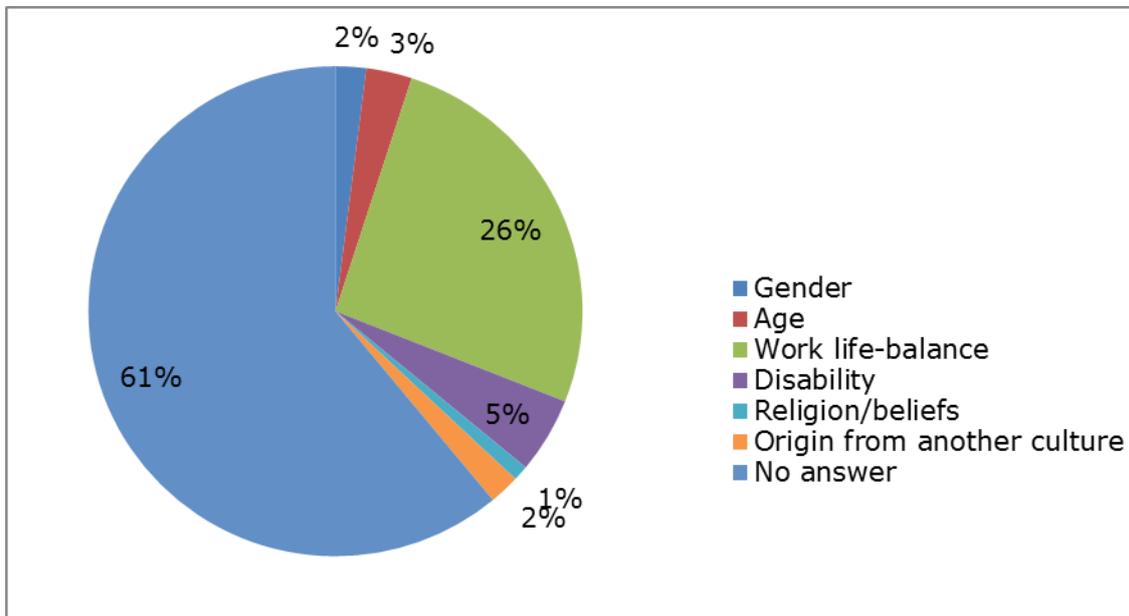
Chart 4.14: Which of these factors do you think have the dominant role of motivating employees to work in the company? - Poland



In the question number 14 the respondents were asked about factors which have dominant role of motivating employees to work in the company. It can be noticed that the base salary is primary and crucial motivation factor for people aged under 30 and women. For many groups of employees, such as people between 31 and 39 or between 40 and 49, the respondents checked all the answers – there is not any dominant factor motivating employees to work.



Chart 4.15: What are the specific needs of your company's employees (employee groups) related to? - Poland



In the next question, the respondents answered about the type of special needs of company's employees or employee groups. 61% of the respondents' employees does not indicate any special need. The highest result falls to the need of work-life balance with 26% of the research sample. The other factors – age, gender, religion and disability – received trace results. This result proves that indication of special needs of employees is unnoticeable for the majority of the managers of Polish companies.



CHAPTER V - SLOVAKIA

Diversity Management in the V4 Countries as an Answer for Demographic Changes

National Report – Slovakia

Jarmila Androvicova, PhD³²

Monika Uhlerova, PhD³³

The following article presents, analyses and evaluates the results of survey concerning the questionnaire. The part is divided into three paragraphs, including the concept of diversity management, changed workforce and information about respondents.

V.1. Profile of the managers

This is the part of Report which is related to the quantitative data of general profile of the managers who answered to questionnaire. Presents result of question No. 14 of the questionnaire and characteristics of respondents.

First of all, it's necessary to note, that we were not able to fulfil completely the proposed quota concerning the number of companies according to the number of employees. Paradoxically, there was a problem to get enough (thirty) answered questionnaires from big companies (over 250 employees). The problem was, that often the reaction from big companies was that they have strict internal policies concerning offering these kind of information. So the structure of our sample is a bit different, and it's necessary to reflect it in the interpretation of the results, especially in comparison with other V4 countries. Total number of companies in the sample is 100.

Table 5.1: Structure of the companies according to the number of employees - Slovakia

Number of employees in the company	Share in the sample (%)
Less than 10	12
10-49	41
50-249	30
250 and more	18

³² Jarmila Androvicova, PhD, Matej Bel University of Banka Bystrica, Národná 12, 974 01, Slovakia, e-mail: jarmila.androvicova@umb.sk

³³ Monika Uhlerova, PhD, Matej Bel University of Banka Bystrica, Národná 12, 974 01, Slovakia, e-mail: monika.uhlerova@umb.sk



balance								
Good atmosphere at work	40	36	50	47	47	31	61	312
Non-monetary incentives (car, laptop, insurance, tickets etc.)	35	27	25	24	20	44	12	187
Together (answers)	366	383	389	364	397	402	362	2663

V.2. Concept of diversity management in enterprises

This is the part of Report which is related to the quantitative data of general profile of the managers who answered to questionnaire. It contains presentation, analysis, criticism and result of answers of questions No.1 to No. 6 of the questionnaire with the characteristics of respondents.

Most of our respondent have never heard of diversity management (52%). 42% have heard something about it and only 6% met with diversity management in practice. 52% think it is important for the company to have a DM, while 16% think it is not important, 32% have no clear opinion about it. However we have to say that there are relevant differences in responses of respondents from smaller and bigger enterprises. E.g., concerning respondents from enterprises with less than 50 employees 64,1 % have never heard of DM; 30,2 have heard something about it and 5,7 have met with DM in practice, while in companies over 250 employees only 33,3% have never heard of DM; 55,6 have heard something and 11,1% have met with it in practice. (Responses from companies with 50-249 employees were very similar to the category 1-49 employees.) There are also some difference related to the age of our respondents: 57,1 respondents under 50 thinks it is important, 17,1 claims no while in the group over 50 years 43,5 claims it is important, only 13 claims no and the rest has no clear opinion.

Table 5.6: Importance of DM - Slovakia

Do you think it is important for the company to have a DM?	Share of respondents (%)
Yes	52



Gender	17
Age	26
Work life-balance	87
Disability	9
Religion/beliefs	4
Origin from another culture	2

V.4. Summary

The concept of diversity management is still something rather rare in the companies, and majority of respondents have never met with it in practice. Significant group of respondents claims they do not plan to develop DM strategy in the future and that they personally would not be interested in attending the DM course. On the other hand, general opinion about the positive impact of DM is rather positive. The most positive impact was recorded in connection to avoiding risk of discrimination and increasing creativity. Positively perceived is also impact of diverse teams on enterprise.

However, we find some significant differences in how respondents perceive the DM in connection to gender – women seem to be more positive in evaluating the impact of DM and their personal interest in the topic (which may be connected with the fact that most of our female respondents work directly in the HR positions). Also there are differences connected to the number of employees in the enterprise – companies over 250 employees seem to have more experiences and more interest in DM than any other category of enterprise.

Respondents' opinions about the workforce changes are rather ambivalent. The most expected increase of employment is in the case of older people over 50 and the most significant decrease is expected in the case of young employees under 30. This well coincides with the well-known demographic trends like aging of the population and also emigration of the workforce (which is more significant in case of young people) and thus is probable that our respondents are aware of these trends. At the same time it is important that majority of our respondents see some difference in the level of motivation in connection to age. As the less motivate age group, young employees under 30 are considered.

It is also interesting that significant number of respondents see the discrimination and unequal treatment in the Slovak work market. The most discriminated group is according to them based on education, ethnic origin and disability. Most often the employees have special needs and requirements in connection to work-life balance.



Annex 1

(QUESTIONNAIRE)

Appendix 1: *Questionnaire Diversity Management and demographic changes in V4 countries*

Part I – Concept of Diversity management

1. Have you ever heard the concept of Diversity management?

- a. Yes. I have heard something about it.
- b. Yes, I met it in practice.
- c. No, I have never heard with it.

If “No”

Diversity management is a strategic action of the company's management, which:

- aims to create a diverse team of employees in terms of gender, age, disability and cultural background,
- involves providing all employees equal treatment in the workplace, takes into account their different needs and uses the differences between them to achieve business goals.
-

2. Do you think it is important for the company to have a Diversity management?

- a. Yes.
- b. No.
- c. Do not know.

3. Does your company have a Diversity management strategy ?

- a. Yes, we have as a separate document.
- b. Yes, elements of the Diversity management strategy are located in other strategic documents of the company.
- c. Yes, elements of the Diversity management strategy are elements of a code of ethics.
- d. We do not have, we plan to develop a strategy.
- e. We do not have, we are not planning to develop such a strategy.

4. Do you think that Diversity management can increase the company performance?

- a. Yes, certainly.
- b. Yes, it is possible.
- c. Rather no.
- d. No.
- e. I don't know.

5. Could you identify, which benefits bring the use of Diversity management:

(Please assign each answer from 1 to 5 points, where 1 means that managing diversity contributes the least, and 5 in the highest degree, select the "X")



	The level of motivation to work			
	Poorly motivated	Average motivated	Very motivated	I don't know
Employees below 30 years				
Employees ages 31-39 years				
Employees ages 40-49 years				
Employees 50+				
Woman				
Men				
Disabled employees				

11. If you had to identify a group of employees whose competencies, opinions and ideas are very valuable to the company, this would be: ***(max 3 answers)***

- a. Employees below 30 years
- b. Employees ages 31-39 years
- c. Employees ages 40-49 years
- d. Employees 50+
- e. Woman
- f. Men
- g. Disabled employees
- h. No such group

12. In your opinion, **the most** widespread type of discrimination and unequal treatment is (three answers possible):

- a. Ethnic origin
- b. Age
- c. Disability
- d. Sexual orientation
- e. Gender
- f. Religion/ belief
- g. Education

13. Please rank the areas in which the various types of employees in your opinion are subjected to **unequal treatment** in the workplace when the results of their work, work discipline, flexibility, competence are comparatively the same in the enterprise.

A - Employees below 30 years

B- Employees ages 31-49 years

C - Employees 50+

D-Disabled people

E - Woman

F - Men

Area HR	Types of workers exposed to unequal treatment					
Recruitment / hiring	A	B	C	D	E	F
Layoffs	A	B	C	D	E	F



15. Are your company's employees (employee groups) submitting their specific needs related to:
- Gender
 - Age
 - Work life-balance
 - Disability
 - Religion/beliefs
 - Origin from another culture

Part III - Respondent/ company profile

16. Would you like to take part in a course with the issue "diversity management"?
- Yes, it is totally good idea.
 - Rather yes.
 - Rather not.
 - Definitely not.
 - I participated and I would be happy to continue.
 - I have no opinion.

Characteristic respondent:

Sex:	<input type="checkbox"/> Female	<input type="checkbox"/> Male					
Age:	<input type="checkbox"/> below 30 years	<input type="checkbox"/> 30-39 years	<input type="checkbox"/> 40-49 years	<input type="checkbox"/> 50-59 years	<input type="checkbox"/> 60 years +		
Your department /position:							
<input type="checkbox"/>	President/vice president	<input type="checkbox"/>	Specialist of HR	<input type="checkbox"/>	Director/Head of HR		
<input type="checkbox"/>	Owner/co-owner	<input type="checkbox"/>	Director/Head of PR	<input type="checkbox"/>	Other position		
Type of company:							
<input type="checkbox"/>	Private enterprises	<input type="checkbox"/>	State-owned enterprises	<input type="checkbox"/>	NGO		
<input type="checkbox"/>	Other						
Number of employees:							
<input type="checkbox"/>	under 10 employees	<input type="checkbox"/>	10-49 employees	<input type="checkbox"/>	50-249 employees	<input type="checkbox"/>	more than 249 employees
Country of origin and/or Citizenship:							

Additional remarks/comments:

.....

.....

.....

Thank you for your cooperation !



Annex 2

Economic indicators in Czech Republic, Hungary, Poland, Slovakia and EU28.

Indicators	Czech Republic			Hungary			Poland			Slovakia			EU28		
	Men	Women	Total	Men	Women	Total	Men	Women	Total	Men	Women	Total	Men	Women	Total
1. Total population (figure in 1000)	5.177	5.361	10.538	4.695	5.159	9.855	18.598	19.839	38.437	2.642,328	2.779	5.421	251.006	263.030	514.037
(%)	49,1	50,9	100	48	52	100	48,38	51,62	100	48,74	51,26	100	48,83	51,17	100
2. Life expectancy (%)	75,8	81,4	78,9	72,3	79	75,7	73,58	81,57		73	80	76,5	77,9	83,3	80,6
3. Fertility rates (%)	1,57			1,44			1,32			1,34			1,57		
4. Average age	41,7			41,3			38,2			39,9			42,6		
4. Employment rate (%)	77,9	62,4	70,2	70,3	57,8	68,9	68,2	55,2	61,7	67,7	54,3	61	75,9	64,3	70,1
5. Unemployment rate (%)	4,2	6,1	5	6,6	7	6,8	8,5	9,6	9	12,55	15,15	13,85	9,3	9,5	9,4
6. Activity rate (%)	82,7	67,3	75,2	72,5	60,3	66,3			68,1	68,2	51,1	59,4	78,1	66,5	72,3
7. Youth unemployment rate (%)	11,3	14,4	12,6			17,3	22,7	25,5	23,9	38,9	46,2	41,55			20,3
8. Long term unemployment rate (%)	2	2,8	2,4	-	-	6,6	37	4,1	3,8	69,8 0	63,23	66,7			4,5
9. Part-time work (%)	2,5	7,4	4,7			5,7			7,1	4,4	7,13	5,69			19
10. Average wage (EUR)	1130	883	1019	-	-	778	1067,08	885,13	978,03			964			1470
11. GPD per capita			15834	-	-	14519.10			10855,7			27237,6			3 5099,89
12. Number of enterprises (small)			166202			32 013			2117486			106196			
13. Number of enterprises (medium)			3045			5 144			17332			2780			
14. Number of enterprises (large)			794			5 750			2915			666			