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THE ATTITUDES OF CZECH MANAGERS TO IMPLEMENTATION OF DIVERSITY MANAGEMENT INTO PRACTICE

Diversity management is a relatively new concept and a new area of HR management in the Czech Republic. The concept of diversity management has been topical for the Czech Republic namely after it joined the European Union in 2004. The paper presents the findings of the study focused on managers competencies in managing diversity. It also presents two case studies as the examples of successful implementation of diversity policy in international companies.

Keywords: diversity, diversity management, diversity management skills, managers, case study.

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СТАВЛЕННЯ ЧЕСЬКИХ МЕНЕДЖЕРІВ ДО ВПРОВАДЖЕННЯ КОНЦЕПЦІЇ УПРАВЛІННЯ РІЗНОМАНІТНІСТЮ В ПРАКТИЧНУ ДІЯЛЬНІСТЬ ПІДПРИЄМСТВА

У статті показано, що управління різноманітністю – відносно нова концепція і нова область управління кадрами в Чеській Республіці. Концепція управління різноманітністю стала актуальною для Чехії після вступу країни до Європейського Союзу в 2004 році. Представлено результати дослідження компетенції менеджерів в управлінні різноманітністю, наведено два приклади успішної реалізації політики різноманітності в міжнародних компаніях в Чехії.

Ключові слова: різноманітність, управління різноманітністю, навички управління різноманітністю, менеджери, аналіз практичних прикладів.

Табл. 1. Літ. 21.

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ОТНОШЕНИЕ ЧЕШСКИХ МЕНЕДЖЕРОВ К ВНЕДРЕНИЮ КОНЦЕПЦИИ УПРАВЛЕНИЯ РАЗНООБРАЗИЕМ В ПРАКТИЧЕСКУЮ ДЕЯТЕЛЬНОСТЬ ПРЕДПРИЯТИЯ

В статье показано, что управление разнообразием – относительно новая концепция и новая область управления кадрами в Чешской Республике. Концепция управления разнообразием стала актуальной для Чехии после вступления страны в Европейский Союз в 2004 году. Представлены результаты исследования компетенции менеджеров в управлении разнообразием, приведены два примера успешной реализации политики разнообразия в международных компаниях в Чехии.

Ключевые слова: разнообразие, управление разнообразием, навыки управления разнообразием, менеджеры, тематическое исследование.

Introduction. Diversity management comes from the US where it developed in the 1980s as a response to the problems at the labour market (Roosevelt, 2006; Kirton, Greene, 2010). In the 1990s it entered Europe (Sub, Kleiner, 2008) but companies in the EU have seen its development and practical application only recently. Holvino and Kamp (2009) state that since the year 2009 diversity management has

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become "a global phenomenon". In the Czech Republic, both in theory and practice, it is a relatively new concept and a new area of management.

The phenomenon of diversity management has been topical for the Czech Republic namely after it joined the European Union (EU) in 2004 and diversity management has become an important part of the HR development.

At present we can also see that namely in company practice diversity management is sometimes wrongly reduced to a sub-discipline of personnel management, mainly dealing with the issue of non-discrimination in a workplace (Eger et al., 2009). Unlike the above concept, the European Union drew attention to the proportion of women in management.

The concept of diversity management results from the natural substance of diversity that exists in the society. In the field of legislation of democratic states the concept results from the Bill of Rights and Liberties and by means of its content it exceeds the narrowness of the traditional concept and calls for the need of an interdisciplinary attitude to coping with diversity in the society.

In companies it does not just mean a sub-discipline of the development of human resources but it means much more; the phenomena such as variety and diversity influence the relations of companies to the market, to their customers and to the company environment (see the connection with CSR). Within a company, diversity management is related to the relevant part of the company vision and strategy, it is significantly reflected into company culture and it also supports communication.

The relevant departments of the Faculty of Economics of University of West Bohemia and the Faculty of Arts of Charles University in Prague have been dealing with the issues of diversity implementation intensively since 2009. The paper presents partial outcomes of the conducted research studies representing the description of the issues of diversity seen from the point of view of Czech companies.

A few remarks concerning social and economic changes. After 1989 the Czech Republic underwent a significant social transformation period, and this change also affected the field of economy. The emergence of the market economy and the opening to the outside world together with the Czech Republic joining the EU changed the structure of companies significantly. Apart from the transformed and newly founded companies the arrival of foreign capital, the influence of multinational companies and the opening of the market after joining the EU have been very important for the field in question. The opening of the economy also means that in economic competition not only the traditional influence of Slovakia can be felt (up until 1993 a part of the common state) but especially the influence of strong Germany and the significant orientation of Czech companies towards German market plays a crucial role. Capital and management from England, France or USA, Japan, South Korea have also entered Czech companies and brought in strategies, procedures and intercultural communication never heard of before.

The above changes do not only affect company management but also workforce in general. It is necessary to note here that the Czech Republic faces, as well as other EU countries, the problem of ageing population. Immigration begins to play an ever bigger role at the labour market. Since the communism times there has been a significant community of the Vietnamese in the Czech Republic, who had originally focused on small business only, and recently they have assimilated into the local envi-

ronments, they children study at Czech secondary schools and universities and their graduates penetrate significant positions in a number of organizations. Apart from that some of the companies owned by the Vietnamese do not belong to small businesses any more.

From the workers point of view (and with regard to the historic facts) there has always been a significant proportion of the Slovaks who, since the year 1993, have been registered as foreign workers, but with regard to the free space for the workforce within the EU there are no limitations. In recent years the Ukrainians have been ranked number one in the number of foreign workers and immigrants, most of whom are here only for the purpose of employment and better earnings and, unlike the first two groups above, they do not consider permanent residence in the Czech Republic (at the end of the year 2010 they amounted for 124 thousand out of 424 thousand registered foreigners, while the population of the Czech Republic is 10,543,000). These groups are followed by the citizens of Russia, Poland and Germany.

Similarly, it is interesting that when it comes to the phenomenon of naturalization in the Czech Republic, the Ukrainians are ranked higher than the Slovaks.

The question is what quality this workforce can bring, as the fact is that the Czech government has not been very successful in recruiting highly qualified workforce by means of specialized permits, a fact that is not helped by the fact that companies complain about the notoriously complicated paperwork in this respect.

It is, nevertheless, obvious that workforce diversity has increased significantly after the year 1989 from the national and ethnical points of view.

The focus of many companies on export (the share of exports in GDP of the Czech Republic reached up to 75% in 2011) and the growth of diversity of consumers even within the Czech Republic (including a substantial increase in tourism) necessarily lead to the need of considering diversity even in the relation to the market (Hubbard, 2004; Eger et al., 2009).

Research studies focused on diversity management. Our departments carried out an introductory theory on diversity management in the context of Czech environment and overview of the state of diversity in the Czech Republic (Eger et al., 2009). The comparative study was then carried out in 2012 within an international team of the Visegrad Four with the support from the Visegrad Fund (Eger et al., 2012).

The findings of the study indicate that on the one hand, it will be necessary to examine how managers perceive the concept of diversity management as a new phenomenon and if they apply this concept within the company and/or if they communicate it further. On the other hand our findings suggest that it is advisable to transfer suitable case studies as good practices from the companies, which have already been successfully applying the concept of diversity management, or some particular programs derived from that concept, to their subsidiaries in the Czech Republic.

The study also shows the key role of managers in managing diversity and led us to the following question. What is the contemporary level of skills of managers in the area of diversity management? To answer this question we have carried out a research survey based on Hubbard's methodology (2004, pp. 1–9).

The self-assessment questionnaire was used to measure the current level of diversity management skills of respondents on the following key competencies for managing diversity (Hubbard, 2004, p. 6–7):

- 1) Champion for Diversity;
- 2) Communicates Across Cultures;
- 3) Diversity Orientation;
- 4) Leads Change;
- 5) Empowers Others to Act;
- 6) Develops Others.

The questionnaire was divided into 6 sections related to the abovementioned competencies. 4 items reflecting managers respond in diverse work environment measure each of competency. Participants responded on the 6-point frequency scale (never = 1 point, rarely = 2, sometimes = 3, often = 4, very often = 5 and almost always = 6 points).

The study was carried out in 2012 within the application of the introductory diagnostics in the trainings courses aimed at managerial skills for diverse groups of managers.

Within the sample of 43 managers there were managers from medium-sized enterprises (10 respondents), managers from educational institutions (9 respondents), managers from the social service organisations (9), managers of sales teams (8), managers of health organisations (4) and HR specialists (3 respondents). Even though the number of respondents is small, the structure is varied enough to illustrate the issue substantially.

Findings. Table 1 summarizes the overall findings as well as mean scores for each of the 6 competencies and the overall profile of the respondents. As we can see in Table 1 the lowest score received key competency a “Champion for diversity”. This score may indicate the potential problems in communicating and implementing the diversity vision. The lower score has also “Diversity orientation” related to awareness of various dimensions of diversity. On the other hand, the highest score achieved the key competency “Empowers others”. The score represents successful integration skills to encourage, develop and motivate diverse workforce.

Table 1. Managing Diversity Profile (managers A – F, n = 43)

Manager	Champion for Diversity	Communicates Across Cultures	Diversity Orientation	Leads Change	Empowers Others to Act	Develops Others	Overall Profile
A1	4	14	11	14	17	12	12
A2	16	19	17	16	13	15	16
A3	13	15	15	16	19	15	16
A4	16	18	20	17	18	24	19
A5	11	17	11	16	17	14	14
A6	4	13	11	12	21	18	13
A7	9	21	19	19	17	18	17
A8	8	15	12	13	12	14	12
A9	6	16	12	17	18	15	14
A10	5	19	20	16	14	13	15
B1	8	19	21	22	24	20	19
B2	18	21	20	21	22	22	21
B3	14	14	18	24	19	22	19
B4	14	17	16	14	20	17	16
B5	18	19	20	22	18	20	20
B6	9	11	11	14	10	11	11
B7	14	18	16	18	19	19	17

Continuation of Table 1

B8	10	20	16	24	24	22	19
B9	19	21	21	20	23	20	21
C1	14	16	14	21	19	18	17
C2	6	17	15	16	20	17	15
C3	5	10	8	12	18	19	12
C4	12	19	10	18	21	9	15
C5	15	16	16	19	22	15	17
C6	8	16	15	17	20	22	16
C7	16	10	20	21	20	23	18
C8	7	9	14	16	22	16	14
C9	15	15	15	15	14	14	15
D1	12	13	12	14	20	18	15
D2	10	16	8	9	14	9	11
D3	17	15	13	16	17	14	15
D4	12	14	14	18	15	16	15
D5	12	14	13	12	17	11	13
D6	5	11	8	17	11	15	11
D7	9	11	11	18	10	16	13
D8	10	14	0	13	8	9	9
E1	18	15	15	18	19	20	18
E2	14	17	16	24	22	23	19
E3	19	18	20	20	19	20	19
E4	9	14	14	11	16	15	13
F1	6	17	12	16	16	17	14
F2	10	15	12	16	17	14	14
F3	10	17	13	17	16	16	15
MEAN VALUE competency	11	15	14	16	17	16	

Legend:

Managers of: medium-sized companies (A), vocational education institutions (B), special social services (C), sales teams (D), health services (E), HR experts (F)

Interpretation of assessment

Excellent (20-24)

Very good (17-19)

Average (15-16)

Poor (14 and less)

Considering the overall profile the value ranges from 11 (poor) to 21 (excellent). These results presents significant differences in the diversity level competencies and competency gap among Czech managers. Importantly, the key competencies constitute the core for successful implementation and effective diversity management that is why the low level of them may be the problem.

The value of the presented results is further highlighted by the fact that similar results were achieved by Kristofova (2012) who carried out in her research for dissertation with a similar questionnaire for a group of managers and HR specialists.

Having in mind the given results and the limitations arising from the small size of the group of respondents we can state that the outputs confirm the expected low level of practical specialization of managers in the issues of diversity management. On the other hand, in the areas of the questionnaire focused on "leads change, empowers others to act and develops others" more positive outputs can be seen. The findings also show big individual differences and these have to be considered in further education of managers.

Our findings correspond with the fact that the respondents – managers – may not have come across the concept of diversity management in their previous training, even though from further discussions with them it became obvious that they were aware of the fact that diversity is natural, it is all around us and it is advisable to consider its application in management.

What are the attitudes of multinational companies towards diversity management in the Czech Republic? As was already obvious from our first study on diversity in the Czech Republic conducted in 2009 there is a big difference between the general awareness of Czech managers of diversity management and the practice of foreign companies that applying diversity management and these companies implement the concept into their dealings even within the Czech Republic as well as into a number of other activities.

For this reason we have chosen the method of carrying out case studies as examples of good practice as these can be applied further in management training at universities but also in further practical training of managers in current organizations.

We have also presented the conclusions gained from the interviews with HR experts who manage the implementation of diversity management in the way it had been prepared by Kristofova (2009) in her research (an abridged version). The author chose 3 companies from the area of the fast turnover market, 2 companies from telecommunications and 3 banks operating at Czech market. Similar characteristics could be traced about all these companies as well as future trends and pitfalls of the applied diversity management.

The monitored companies started with particular actions within the framework of equal opportunities (Kristofova, Eger, 2012). It is an area which is easily comprehensible both for company management and personnel managers. For this reason companies deal with setting rules in the personnel processes, such as equal remuneration, equal attitudes to employees from the gender point of view and with setting rules in recruiting and selecting new employees. According to Kristofova and Eger (2012) this area has already become an integral part of the monitored companies. Both in external and internal recruitment personnel managers look at a candidate from the perspective of a work team. They monitor what characteristics have already been present in the team and what person could fit better for it. Some companies have already set a rule stating there must be a certain proportion between men and women among the candidates for a vacancy.

The described above companies, which deal with diversity management (within the case studies there were 7 such companies out of 9), focus, without exception, on cooperation with universities, and in two cases also with higher vocational and secondary schools. The companies are so flexible and mature that they work with young and talented people offering them work experience. Students are offered a possibility of scholarships, various projects, traineeships and long-term work placements. 8 out of the 9 contacted companies actively work with their talents from the point of diversity management.

The companies cooperating on case studies work on the basis of clearly defined terms, such as equal opportunities, diversity and diversity management, inclusion and inclusive company culture. They offer their employees flexible forms of work (such as part-time jobs, contract for work, performance contract, and work from home, flex-

ible working hours. These forms are especially suitable for certain positions based on an individual agreement with the immediate superior).

The above work from home (the so-called home office) causes a certain degree of complications for employers and managers. The biggest problems related to establishing work from home arise from defining employment conditions (e.g., industrial injuries), suitable positions and setting mutual trust between an employee and a manager. Flexible forms of work, such as compressed work week or hot desking are almost non-existing in these companies and that is why companies do not use them.

All companies consider the area of work with mothers (or fathers) returning after maternity or parental leave very important. Mapping the internal processes, setting basic rules in cooperation with line managers and with parents is important. These activities are also supported by further communication channels, such as brochures/materials for managers and parents, the intranet accessible for the time of maternity/parental leave and internal magazines.

It has already become a standard that parents are offered some benefits, they have a chance to participate in some selected internal training courses and they are in touch both with the personnel department and their immediate superiors. In most cases parents are given a chance of a flexible working load for a particular time.

Equal opportunities and diversity form one of the mainstays of the concept of social responsibility of the contacted companies. To behave responsibly companies support diversity and they highlight equal treatment regardless gender, age or ethnicity. The principle of social responsibility is generally based on 3 mainstays – the area of the environment, the economic area and the social area.

A more detailed description of the activities implemented in the area of diversity management in the Czech Republic can be seen in the study carried out by Egerova (Eger et al., 2009, pp. 80–86) on the basis of the research in IBM Integrated Delivery Centre Brno.

In the long term IBM belongs to those companies which set trends in the field of diversity (Maney, Hamm, O'Brien, 2011). The support of diversity policy has had a long tradition in IBM dating back to the period when equal opportunities were by no means part of the legal framework.

The strategy of diversity has gone through a long development, from the concept of diversity focused on respecting equal opportunities (Diversity 1.0) through diversity focused on preventing and reducing barriers, understanding specific features of regional centres, respect to national cultures, flexible working conditions and work-life balance (Diversity 2.0) to the current concept of diversity which was adopted in the year 2009 and which is labelled as Diversity 3.0. Within this concept diversity is understood as a competitive advantage and a source of innovation and focuses on both employees and customers of a company.

Diversity management is an integral part of the overall strategy of company and its culture, where diversity is appreciated and promoted intentionally. Systematic support of diversity policy can be seen in a number of internal and external activities of company. Also thanks to the above facts the company regularly ranks among the best companies in the field of diversity.

Diversity in IBM aims namely at the following areas:

- Gender – focuses on issues of equal opportunities for men and women.

– Gay, Lesbian, Bisexual, Transgender (LGBT) – focuses on creating work conditions in which the above people feel safe and which enable them to work as well as possible.

– People with disabilities (PwD) – support is given to the integration of disabled people.

– Cultural Adaptability – focuses on cultural adaptability as a key precondition for effective work in such global environment as that in IBM.

– Work-Life Balance – focuses on the issues of harmonizing personal and working life.

IBM Integrated Delivery Centre Brno, which is a part of IBM Company, tries to implement strategies and initiatives leading to meet the goals set in the field of diversity within all the company but it also focuses especially on those fields that are perceived as significant from the point of view of the local culture. Currently strategies and initiatives are applied primarily in the following fields:

– Gender;

– People with disabilities (PwD);

– Cultural Adaptability;

– Work-Life Balance.

As an example of specific activities we can mention: Programme "Support for Talented Women", Programme "Maturity Leave and Return", in cultural adaptability: "Shades of Blue" training programme, Country navigator, Diversity week etc.

Another example of the successful implementation of diversity management is the Czech Saving Bank "Ceska sporitelna, a.s." that is a significant financial institution in the Czech Republic and a member of the Austrian Erste Group (case study by Jirincova in Eger et al, 2012, p. 73–79). For the activities in the field of diversity "Ceska sporitelna" won several awards for example "Company of the Year: Equal Opportunities" in 2011.

The company started dealing with the issues of diversity systematically in the year 2008 and in the year 2010 it was the only bank within the Erste Group that already had a complex programme.

When starting the diversity program, the company looked at the global studies by Catalyst, McKinsey and others, which presented research showing that companies supporting equal opportunities have higher motivation of their employees by 58%, higher satisfaction of clients by 57% and the brand image is said to be better by 69%. Apart from that there is research showing that companies having more than 3 women in the top decision making bodies have return on capital by 35% higher etc.

The material of "Ceska sporitelna" refers to the document of the European Commission: The Green Paper on Corporate Governance (2010) which hints that the introduction of quotas in the field of the equal opportunities is an estimated and logical step.

The Diversitas programme came to being as an initiative of 8 women managers in the autumn of 2008.

At the moment (2011–2012) an extension of the programme is underway (issues of age, nationalities, handicaps).

The programme Diversitas deals with the following issues:

– Monitoring and measuring;

- Work-life balance;
- Recruitment and career development;
- Increasing the awareness in the field of equal opportunities.

The Diversitas programme contains subprogrammes: Recruitment and talent management, Cap (“stork” in English) is a programme supporting parents, and Transition – a programme supporting employment of persons with disabilities.

Almost a year after the introduction of the programme Diversitas, diversity criteria was included in the performance criteria (KPIs) of the company’s management. This proves that the company seems to respect the general recommendations in the field of active involvement of company management in diversity management.

Conclusion. There are expert recommendations for the implementation of diversity management contained, for example, in the material called EU Continuing the Diversity Journey (2009) or in Kheil et al. (2007). Our research studies present successful implementation of diversity management in the Czech Republic.

We have also seen a certain degree of development of the concept of diversity including the considerations regarding the national specifics (Kirton, Greene, 2010). It is advisable for the EU (see also Wynne, 2012) to concentrate on the following 5 groups: older workers, ethnic minorities representatives, representatives of certain religions, women, handicapped workers. We must add here that for a number of the EU countries school leavers are also a specifically important group, because the high rate of unemployment of the young people is a serious social problem in the EU.

The concept of diversity management itself is considered principal by proactive companies (Eger et al., 2012) and it can be the key to solve a number of problems brought about by the globalized world and the current development of the society (see also Kheil et al., 2007; Kirton, Greene, 2010; Eger et al., 2012).

The situation, as seen from the point of view of managers in the companies in the Czech Republic, can be assessed in such a way that a considerable proportion of managers have not gone through any education or training in the area of diversity management. They do not often perceive it as priority, possibly due to the current economic problems. Nevertheless, when discussing issues within training courses, they realize that diversity exists and it is possible and advisable to make use of it not only in relation to human resources management but in relation to the market as well.

There are examples of successful application of diversity management and programmes supporting diversity, especially from the part of large and multinational companies as these implement them successfully in terms of regional specifics even in the Czech Republic.

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