

Are we there yet?

PROGRAMS FOR
ACHIEVING GENDER BALANCE
AT COMPANIES IN HUNGARY



RESPONDENTS

Aon Hungary

Elmű-Émász

General Electric

Google Hungary

Henkel Hungary

Marquard Media

McDonald's Hungary

MetLife Hungary

Microsoft Hungary

MOL

Morgan Stanley Hungary

Praktiker

Prezi

Shell Hungary

Spar Hungary

Tesco Hungary

“On the Day of Working Parents, everyone gets a chance to talk to colleagues who are experienced parents, to get legal advice, and to see good examples.” (GE)

Are we there yet?

Based on current trends, wage levels of women could reach the level of men's salaries by 2102. There are few women in top management and in politics, and the support for them does not usually go beyond the traditional methods supporting families. Companies in Hungary, however, are not satisfied with that - they know that more women in management lead to a more successful operation and better business results, therefore they began working on these goals on their own.

According to the World Trade Forum's 2016 report on the gender pay gap, Hungary ranks 130th out of 144 countries in terms of equal pay. The report says that better economic standing of women could be achieved by distributing childcare duties amongst the sexes more equally. If current trends continue, "equal pay for equal work" may not become a reality before 2102.

"My predecessor had a small child, and I was six months pregnant when I got promoted. For a while, we were joking around that the company can only be managed by women with small children or women who are pregnant. The parent-company subconsciously supports that." (Marquard Media)

HUNGARIAN SNAPSHOT


The Sociology Institute of TÁRKI takes a snapshot of Hungarian society every two years. Their 2018 study devoted an entire chapter to the situation of women and men. Here are the most important findings of the study.



THE PAY GAP EXPERIENCED IN HUNGARY COULD BE EXPLAINED BY THESE FIVE SOCIAL ATTRIBUTES:

1. Career path interruptions (such as having children, caring for elderly relatives) tend to affect women first and foremost.
2. Segregation in education and the job market.
3. Gender differences in pay negotiations, caused partially by discriminative employers, partly by the fact that female candidates tend to ask for less at job interviews and that female employees are less likely to ask for a raise.
4. The low rate of women in management (positions with high wage levels).
5. Women's higher rate of performing unpaid work (the number of hours spent with "invisible work" involving childcare and household chores is 26 hours per week for women, while it's only 9 for men).

Looking through the last three government terms in Hungary, we find that there was only one female minister out of the 16 ministers taking part in Orbán's second government (2010-2014), his third government (2014-2018) included only men, while his current fourth government (2018-) has again just one female minister besides the twelve men. State secretarial positions show a more equal distribution: The second Orbán government had 6 female state secretaries, the third had 9, while the current fourth Orbán government raised the rate of women's representation in government to 14% by appointing 10 female state secretaries.



→ The most significant job market interventions of the studied time period were the 'extra' childcare program, the childcare program for graduates (both introduced in 2014), and the gradual increase of kindergarten places, showing compliance with the EU's guidelines to "reconcile work and family life."

→ Hungary's Act CXXV of 2003 on Equal Treatment and the

Promotion of Equal Opportunities has been in effect for almost 15 years. The law regulates questions of gender equality in many segments of the economy and society. In employment, this means that equal access to work and recruitment, equal employment and payment conditions, and equal promotion opportunities must be provided for everyone regardless of gender, or in fact, any other sensitive traits.

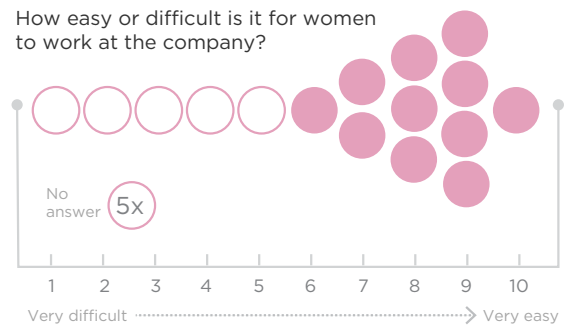
→ Anti-discriminatory legal measures expressly include the principle of "equal pay for equal work", but so far, the practice of this principle is lacking.

→ Another important factor is the "Women 40" initiative that managed to provide women an opportunity for early retirement. This affects the employment of women in higher age groups significantly. Economic analyses show that the 2012 introduction

The accumulated revenues of the 16 companies surveyed by the Egyenlítő Foundation are close to 12 billion Euros and employ more than 45,000 people.

THE SITUATION OF FEMALE EMPLOYEES

How easy or difficult is it for women to work at the company?



The experience of the leaders of the Egyenlítő Foundation is that corporations tend to think far more progressively about this topic than the state. Corporations recognized that equal opportunities for women mean a higher rate of female participation in management, and that inevitably leads to a more effective and efficient company. Companies generally invest lots of resources into the processes aiming to achieve equality. Egyenlítő Foundation compiled data from 16 companies in Hungary about their programs for women. These companies combined employ more than 45,000 people in Hungary, their accumulated revenues exceed 12 billion Euros. The list of companies taking part in our survey include multinational companies as well as ones with Hungarian proprietors. Hungarian branches of multinationals generally tend to receive support for these programs from their parent companies, or at least incentivization to develop their own programs - though providing separate funds for them is not typical.

of Hungary's new pension system traded the rather flexible and generous retirement rules for an inflexible age limit. The new rule is also severely discriminatory, as the option to retire after 40 years spent working is open exclusively to women.

→ Women's employment rate in 2015 was the highest in Sweden (95.4%), Finland (89.2%), Estonia (88.6%), and Lithuania (88.2%), and it was the lowest in Italy

(66.7%) and Malta (68.9%). Hungary is in the middle of the pack in this regard (79.6%). Women's employment rate generally increased (and on average, slowly increased) in all countries in the past ten years.

→ Gender pay gap (GPG) defines the difference in the gross average wages of women and men expressed in the percentage of the wages of men. (OH, 2017). Globally, women make around

30% less than men, while the EU average is 16.7%. The gender pay gap in Hungary is 15.1% (OH, 2017). The global gender wage gap was 16% according to OECD calculation.

"I talk about my three children and the difficulties and joys that come with that all the time, so people see that it is okay to bring the topic up." (Metlife)



A LOT OF GOOD INTENTIONS

The answers show that only a few companies have programs that directly encourage employees to have children, but that is mostly attributed to the sensitive nature of the issue. Our respondents agreed that if the programs for after childbirth are good, then that is equivalent to directly incentivizing having children. It was good to see that some companies are mindful of pathways diverging from the traditional - it is possible to openly talk about plans for adoption or assisted reproduction treatments. Many companies pay special attention to colleagues in these special situations.

At companies with female managers, leading by example seemed to be of the utmost importance. They often talk about the beauties and hardships of bringing up children, preparing younger colleagues this way and showing that thoughts on this everyday topic are safe to share.

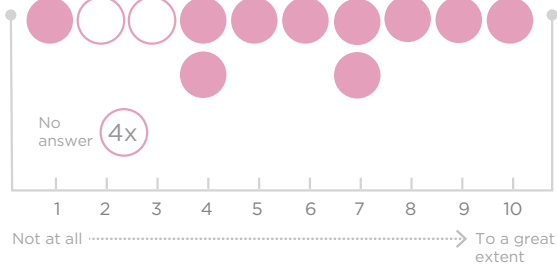
The most popular way to help mothers and fathers return to work after parental leave is the opportunity for part-time employment. Most of the companies surveyed offer this option, and many offer even more flexible ways for mothers to return to work.

A development of recent years is that companies often prefer to introduce the system of core and peripheral working hours to flexible employment, therefore employees need to spend only a fragment of time at the workplace. More and more companies use part-time employment in retail and car manufacturing as well. As a result of the Program for Innovation and the Development of Economy, more and more small businesses employ two people for the same role with shared working hours.

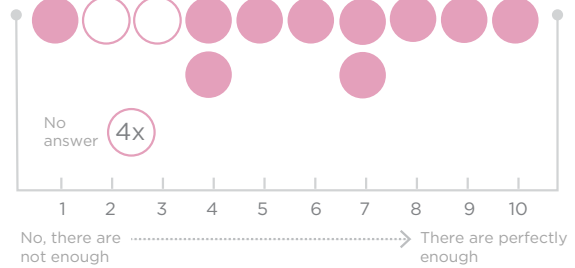
"We support our colleagues partaking in assisted reproductive treatments by providing them with extra free time, and neither do we hire anybody else to fill their position before there is a definite positive outcome to the treatment. In the meantime, we cover for them with replacements." (Praktiker)

PROGRAMS SUPPORTING WOMEN

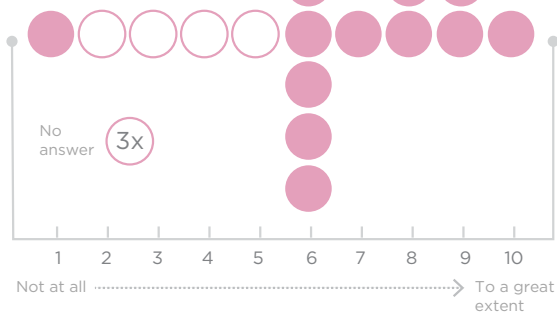
How much does the parent company support these programs?



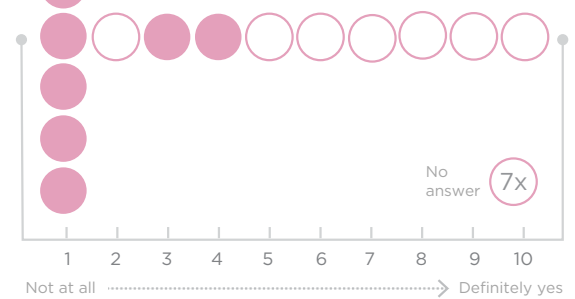
Are there enough programs supporting women at the local branch of the company?



Are their own programs successful?



Is there any resistance from male colleagues?



“One of our colleagues returned to work just one day a week, and we gradually increased her work days. Some work remotely ever since, and we’ve adjusted their job description to fit the mode of employment. The maturity and flexibility of young mothers are also needed for this to work.” (AON)

“Young mothers get to keep their devices, keep their access to their company mailbox and the intranet site, and they are invited to all company events. The connection remains active, and if they return to us after a few years, they will not be strangers to their colleagues.” (Prezi)

A similarly popular and therefore accessible solution is working from home during parental leave. The importance of this lies in the fact that this way the parent does not lose touch with the employer, who therefore does not get cut off from the company's blood flow.

Keeping in touch with the employer during parental leave is not such an obvious thing though. Parents heading off to maternal or paternal leave usually have to give back their work equipment, close their ongoing cases, and have their company e-mail addresses suspended even at companies that pay extra attention to supporting families. Interviews show that such drastic measures are implemented for reasons of security (protecting remote workers' devices is more difficult) and protecting business headcount numbers (if all mothers stay on staff, staff numbers would be higher). The interviews show that flexibility in these matters is more typical of smaller companies, or ones with a more progressive outlook.

"We provide 168 days of maternity leave for biological mothers and adopters alike. We provide a full salary for the first twenty weeks and childcare support for the remaining four." (Microsoft)

DOES THE GENDER QUOTA HELP?

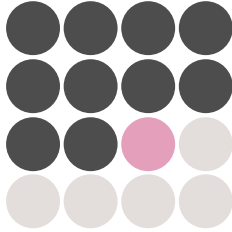
The idea of introducing a quota is generally divisive, and also among the respondents of our survey. Not even those fighting for gender equality agree that the quota helps their cause. Some say it is a good start but has to be abandoned later on. Corporate attitudes vary as well: Some have



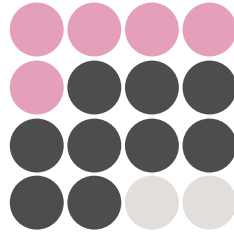
"We have a restaurant manager who gave birth to two children since she started working with us. Her first child is already an employee of the company. It pays to be generous to colleagues and support them in their goals." (McDonald's)

EQUAL OPPORTUNITIES

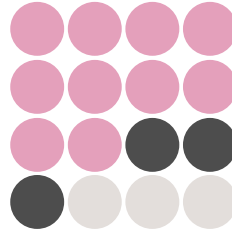
Is there any difference between salaries of male and female employees in the same position?



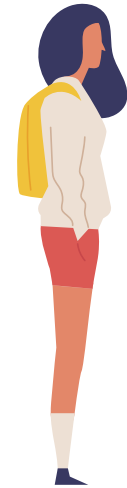
Is there a quota to raise female presence in management?



Are there sensitivity trainings?



● Yes ● No ● No answer



quantifiable goals - or quotas - to regulate how many women are on staff or in management, some deny quotas by principle but constantly work on improving women's ratio. We see that one of the most helpful and acceptable methods is adherence to a solid principle throughout the recruitment process and always include at least one woman on the shortlist, aided by the guidance of strong-willed management. Even women agree that they shouldn't be hired for their gender alone, and that talent and achievement should remain the focus of the selection process, but employers need to make sure that women have an equal chance of passing the company's filters.

California was the first state in the USA to implement a mandatory minimum ratio of female employees at companies. The California regulation was modelled on a Norwegian law: a 40% female quota was introduced there in 2008. Many other European countries followed the example of Norway as well, and many European companies voluntarily introduced such measures. As a result of this, the number of women in leadership positions in some countries is four to five times as much as it was in 2008.

"We make sure to always have a female candidate on the shortlist (with the best two or three candidates) during our management recruitment process. If there is none, and no external HR companies can suggest a fitting female candidate, we have to give the management an explanation." (Elmü-Émász)

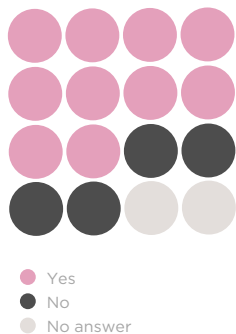
After Italy introduced a 33% quota, most of the new female board members actually held higher degrees than their predecessors. Norway experienced similarly positive results, though other countries often experienced the introduction of less-experienced new female board members.

The question is whether female managers can influence company revenues differently than their male colleagues. Several surveys point in the direction that companies with a higher ratio of women in management tend to have higher revenues and fewer court cases.

Many of our surveyed companies have mentorship programs and clubs supporting women’s career progression. Results of these support and networking groups are hard to measure or quantify, but the women usually love it and it seems to increase the loyalty of women to the company.

FEEDBACK

Is there a way to anonymously report?

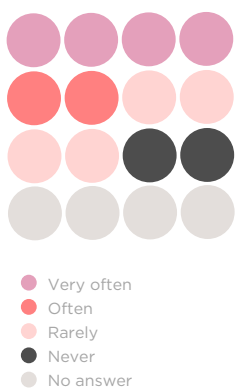


HIDING THE PAY GAP

Most of the companies in our survey claimed that there was no pay gap between their female and male employees, and only one company admitted to a less-than-10% gap. Due to the transparent policies of another company, their salary data are completely public, but even they admitted that their system can lead to a difference between men and women - if a woman stays home for several years, her career progress will be slower. At the same time, some of our surveyed companies are so progressive that they regularly promote women while they are on maternity leave.

BEST PRACTICE

How often are international best practices employed?



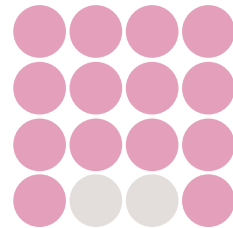
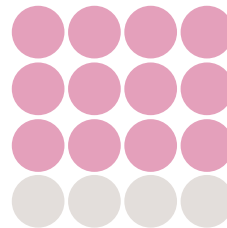
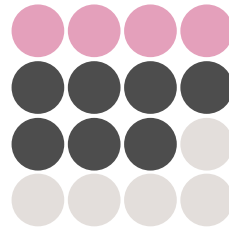
It is very difficult to set up childcare facilities in companies, and our respondents confirmed that. Companies are usually aware of their legal opportunities and even the applicable state subsidies to help set up workplace childcare facilities, yet there are few workplaces where circumstances are ideal for such an initiative (interesting and shocking data from the Hungarian Central Statistical Authority shows that

HAVING CHILDREN

Are there any programs supporting female workers having children?

Can mothers work from home during maternity leave?

Is there a possibility to return to a part-time employment after maternity leave?



● Yes / They can ● No ● No answer

there are 754 kindergartens operated by the state and only 7 operated by workplaces). Even with subsidies, childcare is a tremendous financial burden for a company, and pedagogical goals are harder to achieve if the number of children is low. Mother-baby rooms are usually the first easy-to-take step, where mothers can breastfeed, children can play or sleep, and in some cases, this separate room can even be used for meetings.

It helps a lot if families are not forced into austerity during the time spent home. Experience shows that it pays for workplaces to be generous (for instance adding to the aid given by the state), as employees are much happier to return from parental leave and stay loyal to their company. Handling differences and recognising prejudice is something that can be taught. Majority of the companies in our survey provide sensitivity trainings or trainings that help recognise and control subconscious prejudices.



“The management of Shell Hungary is 50% male and 50% female. It is strategically important for us to have a company culture that supports diversity and inclusion. Our leaders are motivated to build a diverse team and a diverse team of future leaders. In our experience, this drives better business results and more successful careers.” (Shell)

“Women are present in much smaller ratios in such a traditionally masculine sector such as the petrol- and gas industry. 25% of the employees of MOL Nyrt and its subsidiaries are women, which is generally regarded as a good ratio. But times are changing, and the variety of MOL’s business activities spans wider than ever, therefore our employees working together with their diverse set of knowledge and wide array of professional skills have a significant role in the success of MOL regardless of their gender. Increasing the ratio of female employees is an important element of our recruitment and employment strategy. In our new graduate program (Growww), we pay attention to provide career and job opportunities for as many talented female candidates as men. That ratio was 60% for men and 40% for women in 2018. In June, we took a pledge to include at least one female candidate on all job interview recommendation lists for relevant positions. Another goal is to include at least one woman on each panel of interviewers. We pay special attention to offer the same salary to female and male candidates who apply for the same position.” (MOL Group)

There are significant positive results as well: Most of the companies offer ways to anonymously report any harassment to management, and the majority of men have no objections towards the programs aimed to help women. The companies in our survey reported such resentment to be few and far between, and even if it occurs it does not go further than tongue-in-cheek remarks. But it’s good to be aware of this phenomenon and to be prepared to handle it.

It is important that men, who today fill the majority of management positions, do not take this as a threat but instead understand and admit to the detrimental nature of prejudices, see the current difficult position women are in, and recognise that equality brings about an economy that is more effective, peaceful, and prosperous.



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