

THE PRESENCE OF EQUAL OPPORTUNITIES IN HR MANAGEMENT

Farkas Eva, Dajnoki Krisztina

Károly Ihrig Doctoral School of Management and Business, University of Debrecen, Hungary

Department of Human Resource Management, Institution of Management and Organisation, Faculty of Applied Economics and Rural Development, University of Debrecen, Hungary

evafarkas.official@gmail.com

dajnoki@agr.unideb.hu

Abstract: *Ensuring equal opportunities is a priority for CEO-s and decision makers, however, it is often not put into practice. Changes in recent years along with the priorities of the EU and the efforts made to banish discrimination becoming more prominent brought with themselves a pressure on firms to provide equal opportunities for the different underprivileged social groups. In Hungary the Act CXXV of 2003 on discrimination and equal opportunities lists the groups in need of protection. The law requires employers with more than fifty employees to have an equal opportunities program. In spite of this, these programs are often general and do not implement the changes and goals identified after the assessment. Still, strategies and plans are only worth how much of them are realized. Our article is about the conscious principles of the Hungarian business sector about equality and whether there are regional differences. We compare answers given by both employers and employees on the subject of the extent to which the above mentioned principles are realized by the management and whether the employees experience these changes. Our theory is that the prioritisation of equal opportunities in firms is more the result of access to project funds than that of inner initiative from the firm's management. We analyse our research questions using a quantitative method on a regionally representative national sample. We examined 992 firms with special attention on those and their employees who had some sort of written guidelines on equal opportunities and plans on implementing these.*

In our paper we give a short review on the importance of equal opportunities, it's manifestation in HR management and it's written declaration, the so called Equal Opportunities Plan (EOP).

The efforts of the EU and access to financial resources for the EU projects as a condition our hypotheses are that (1) at least 30% of the firms studied have written guidelines or declaration on equal opportunities, (2) the majority of these firms have a higher rate of disadvantaged employees and operate in economically undeveloped areas.

Keywords: *equal opportunities, HR, strategy, Equal Opportunities Plan, disadvantage*

JEL classification: *M51, M54*

1. Introduction

In our study we look into how equal opportunities affects HR management.

Our aim is to examine our hypothesis according to which equal opportunities becoming a priority in the EU is affecting the attitude of firms towards this topic. With the help of our data base, containing information about 992 firms we look into the assumption that at least a third of these firms have some sort of written declaration on equal opportunities. The Hungarian business sector is regionally represented in our data base which gives an opportunity to further examine another hypothesis which states that in more developed areas firms encounter fewer underprivileged employees thus put less emphasis on the question of equal opportunities.

After introducing the importance of equal opportunities we discuss its role in HR

management, the elements of related documents and we also examine correlations in the business sector. The study concludes with deductions.

2. Theoretical approach of equality in HRM

When we talk about equal opportunities we have to consider that nowhere in the world it is completely realised. We are still living in an era of improvement in this field. The idea will only be fully implemented when people who are being discriminated against and those living on the fringes of society make a conscious and consistent effort and are committed to work for this goal (Chikan, 2001). This fight will only have the desired outcome in society is willing to accept the changes. Equal opportunities mean that the individual is invisible, fits perfectly into society as a building block. He learns, grows up, works, becomes self-sufficient, loves and is loved, lives his life like everybody else (Konczei, 2002.). In a society nobody should be discriminated against based on their sex, religion, culture, age, disabilities or sexual orientation (Malik, 2003.).

Equal rights are made to provide equal treatment for everyone. Since we live in a multilingual and multicultural world equal opportunities are essential for the individual to reach his full potential and it is a constitutional right.

There are several definitions of equal opportunities. The Helios II. (1996) program of the European Commission defines equal opportunities as follows: Every person is different and deserves equal opportunities to live his life the way he chooses to. For the individual to achieve this a support system needs to be put in place, obstacles need to be removed and he has to be able to access unlimited information.

Jacobs (2004) states that the principle of equal opportunities centres around the idea that competition should be run based on the assets risked in the competition and not on factors like social background, religion, sex, disabilities etc. which might prevent the competitor from succeeding.

According to Kadet (2008) the question comes up on what providing equal opportunities really means. Although providing and promoting equal opportunities carry different meanings the two expressions are often used interchangeably. The former is a passive action that provides opportunity for a group and the latter is an active action and means that the group can actually use the opportunity given. For equal opportunities both conditions have to be met.

Farkas et al. (2008) argue that procedures and conditions creating equal opportunities should be accessible to everyone. These are equal rights for training, employment relation and wages etc. Csehne (2007) states that in Hungary unemployment is at a high and it affects younger generations more when we consider the whole of working aged population.

With suggestions from the European Committee and taking Hungarian specifics into account we can distinguish the following fields in the matter of equal opportunities:

- creating family friendly working environments
- equality of the sexes
- accessibility for the disabled
- increase in life quality and better employment opportunities for the disabled
- increase in life quality and better employment opportunities for romas
- increase in life quality and better employment opportunities for other underprivileged groups

The CXXV Act of 2003 on Equal Treatment and Promotion of Equal Opportunities acknowledges that all people are equal and names several groups against which it considers discrimination to be unlawful and offers legal aid when the principle of equal opportunities is breached.

The scope of the law extends to Government Agencies with more than 50 employees and makes it compulsory for them to accept an equal opportunities program.

Berenyi and Kollar (2009) say that the principle can only be put to practice if the entities overseeing the process not only work out strategies but also ensure that the idea is manifested in the most important management areas which are the base for the strategy itself.

Equal opportunities is a subcategory under HR strategies. On a wider level it can be considered as a separate subcategory since it does not only affect HR management but other subcategories as well.

The main articles of the Equal Opportunities Plan can be:

1. Introduction
2. Assessment
3. Actions:
 - areas where actions need to be taken
 - providing the services of an equal opportunities consultant
4. Informing employees about the Equal Opportunities Plan
5. Improvement of the working environment:
 - building wheelchair ramps, accessibility
6. Providing information, representation, feedback

The Equal Opportunities Plan includes:

- the assessment of the employment position of underprivileged groups (women, employees over 40, romas, disabled workers, single parents with children under 10)
- the introduction of goals and tools (training, health and safety etc.) to achieve equal opportunities

Achievements of the existence of the Equal Opportunities Plan:

- the service increases corporate social responsibility and ensures the diversity of the workplace. Also hugely affecting the firm's reception on both the Hungarian and international markets
- the firm's communication of the plan boosts success in the business since it improves the firm's image among stakeholders (owners, consumers, competitors, banks, local communities, suppliers and authorities)
- implementing the changes makes it possible to reach wider potential employee groups while hiring. Eliminating discrimination also helps to create a diverse, loyal employee base thus minimizing fluctuation.
- a procedure gets established which helps to maintain equal opportunities and treatment on the long run

3. Material and method

In this study we analyze the data of a research on the aspects of equal opportunities in HR management in the Hungarian business sector. The research is unique in linking the answers and attitudes of both the employer and employees. This method has been used in the United Kingdom in several regular surveys but not in Hungary on a national level (WERS, 2004)

The study 'Employment Relations in the Workplace 2010' was carried out under the program 'TAMOP 2.5.2. The Reinforcement of Partnership and Professional Background of Communication, Supporting Common Achievements.' in 2010 (Neumann, 2010) The data was gathered with questionnaires in the business sector, in 1000 firms with at least 10 employees working onsite. The questionnaires were filled in by CEOs and by a maximum of 25 employees in positions most typical of the firm. Data was collected at 992 premises with at least 10 employees and from 8444 workers altogether. The sample is

representative of the region, the sector and also the number of employees due to the use of sample weighting.

The database created during the study is diversified. It provides information on several aspects of the workings of a firm from which this paper concentrates on the principle of equal opportunities and its institutionalisation. We analyze the answers given by both the management and employees. The former gives us a picture of equal opportunities as a motion while the latter shows it as a realised corporate practice.

Equal opportunities becoming a primal goal of the EU may affect the everyday workings of firms. Our premise is that the substantial increase of tender funds is a precondition to the enforcement of the principle of equal opportunities on a corporate level thus putting more emphasis on eliminating negative discrimination and creating equal opportunities for different social groups. To meet tender requirements actions taken to implement equal opportunities have to be documented, for this tender funds are also a motivation. Carrying on the same logic we hypothesize that at least a third of these firms have some sort of institutionalised declaration of equal opportunities, EOP, strategy or some set of rules. We also believe that in economically more developed areas where there are fewer underprivileged workers equal opportunities are not a priority for employers.

3. Results and discussion

In spite of the fact that appointing or electing an equal opportunities representative is the first phase in the institutionalization of the principle it was observed in only 7.6% of the firms in the study. It shows that there are no representatives to whom the employees could turn to in case of discrimination etc. Another institutional to promote equal opportunities is naming underprivileged groups and giving them advantages in certain situations. Documentation of this method is even less common among the firms questioned in the study. Only 4.6% said that they have a set of rules emphasizing positive discrimination and 0.8% stated that such rules were being constructed. This number compared to the overall sample is not significant but still reflects the attitude of more than 50 firms.

Out of the target groups women going back to work from maternity leave (70.8%), workers over 45 (63.9%) and disabled employees (67.4%) receive special attention.

81.8% of the firms asked stated they have no written documentation on equal opportunities. The other 18.8% are more conscious and have written guidelines to stop negative discrimination and promote equal opportunities and treatment but these guidelines are not uniform. The method most often used is an inner procedure against discrimination (7.2%) and the use of Equal Opportunities Plan (6.7%) and in some cases we can find other documents, codes, rules. (Figure1)

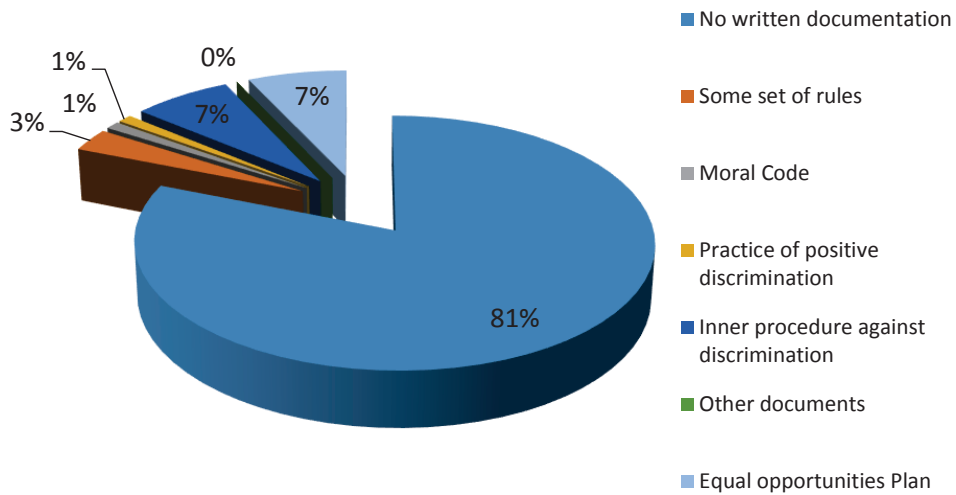


Figure 1: The appearance of each types of declarations (N=992)
Source: own research

The majority (60.6%) of firms with EOPs codifies the document to meet legal requirements but in 29% winning EU tenders was also a motivating factor. CEOs could give multiple answers so there are several examples in the sample to the outside pressure of legal requirements and winning tenders being the driving force behind equal opportunity practices in the firms.

Besides having the EOP its content is also important considering equal opportunities in HR. CEOs are often not aware of the contents of the equal opportunity documents of their own firm. As main sections of their EOP they list target groups, principles they wish to put into practice and the formal parts of the EOP. 78% of organizations with EOPs named the sections about the target groups as the most important while 20% mentioned their goals and principles and in 2% the CEOs considered the formal aspects and content of their EOPs as essential. (Figure 2.)

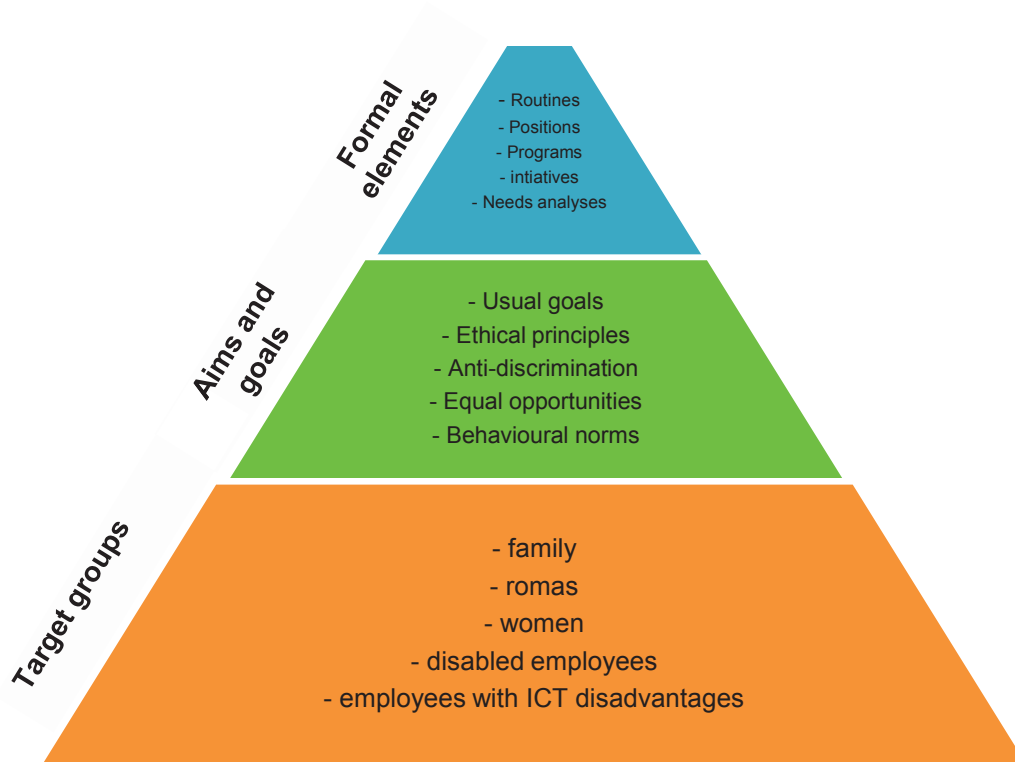


Figure 2: The importance of each element in Equal Opportunities Plans (N=181)

Source: own research

In connection with the target groups equality of the sexes is emphasized and the disabled and employees with reduced capacity to work are also a priority. We also have to mention that people with disadvantages on the job market as an important section. Women returning from maternity leave, over 45s and career entrants are also listed. CEOs when talking about these groups used expressions that often occur in tenders thus proving that tender funds have a significant effect on equal opportunity practices.

In economically backward regions there is a bigger need for the tender funds and there are more underprivileged workers which creates a greater need for emphasis on equal opportunities. Regional analysis shows that in Central Hungary there are significantly more firms with EOPs. With the use of crosstab method and we can prove with 90% reliability that the difference between regions considering the number of firms with Equal Opportunities Plan is significant.

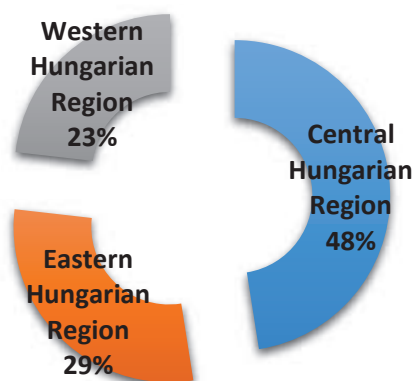


Figure 3: Regional frequency of firms with Equal Opportunities Plan (N=181)

Source: own research

Although different procedures and documents do not guarantee equal treatment and the elimination of negative discrimination 43.8% of firms named 'good practices' in their answers that are based on their EOPs or other written documents. The practices often mentioned were the reintegration of over 45s into the job market, favouring individuals with changed capacity to work or disabilities and employing mothers returning from maternity leave. These answers also suggest that the groups mentioned in project indicators are favoured in terms of equal opportunities.

Besides success and realised projects failures can also provide valuable information. Organizations who have named concrete programs or initiatives as a part of their EOPs in some cases reported that these were not carried out and put into practice due to the lack of interest from employees. Besides documentation and 'good practices' employee experience can be another objective benchmark of the realisation of equal opportunities. We examined negative discrimination in relation to working conditions, wages and promotion in firms that have documents against unequal treatment. (N=1987) The results show that equal opportunities are present in these workplaces, a very low number of workers asked complained about negative discrimination. Those who did mainly mentioned wage discrimination based on age (6.3%). A further 3% felt their age kept them from enjoying better working conditions and 6% experienced difficulties with promotions. Unequal treatment on the basis of ethnicity and family background is rare. 2.5 % employees queried said that they experienced sex discrimination and 1.8% faced obstacles in professional advancement. These low numbers suggest employees are not sufficiently informed about their rights and lack certain aspects in their attitudes toward equal opportunities.

Depending on their content EOPs might need extra input from the firms. A third of the firms with Equal Opportunities Plans say that to implement the changes listed in the document minimal financial contribution is needed. 2.5% say achieving the same comes with a substantial financial burden and 62.9% believe it needs no contribution at all.

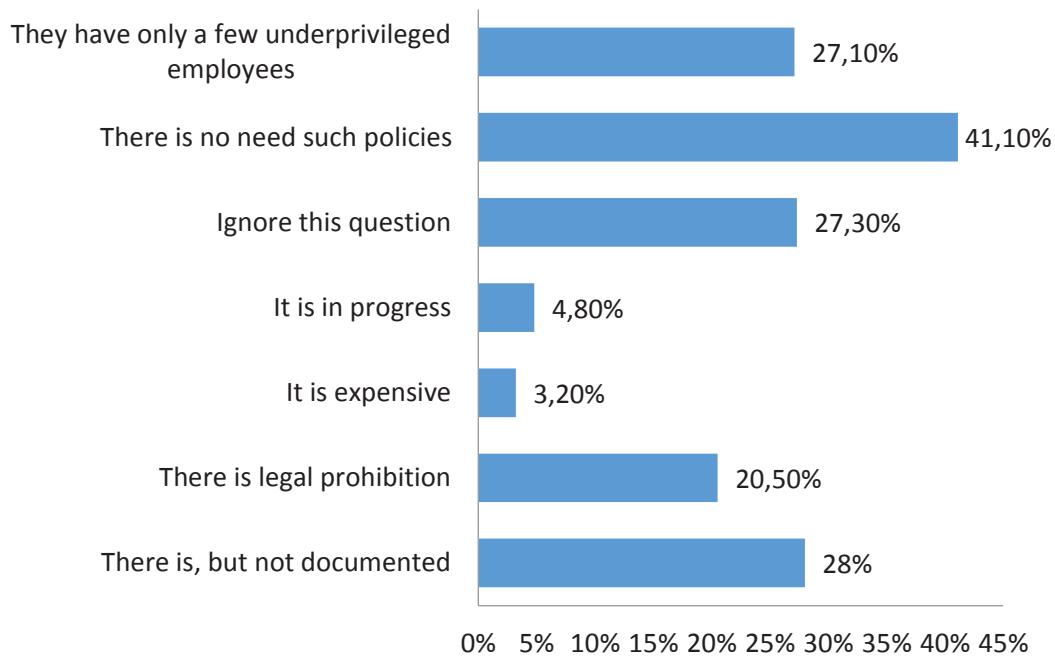


Figure 4: The reasons of lack of Equal Opportunities Plan (N=773)

Source: own research

If no financial contribution is needed to put the principle into practice the question rises: Why do only a small proportion of firms have EOPs?

Fig4. illustrates how almost half (41.1%) believes there is no need for a practice of equal opportunities while 28% enforces the principles but without proper documentation.

4. Conclusion and suggestions

Our premise on the proportion of written declarations might be considered exaggerated since only 6.7% of the organizations had EOPs and only 12% had other kinds of declarations. This shows us that while promoting equal opportunities is gaining more importance its practical implementation is not a priority.

Based on the results we can conclude that the creation of equal opportunities is not a conscious effort nor is it the result of inner pressure or that from the market but is motivated by the will to meet requirements. Most firms consider the question of equal opportunities to meet legal requirements from the government or the EU and not out of concern about their inner workings. This supports our main hypothesis that the main motivation behind creating equal opportunities is the assumption of the EU.

Equal opportunity practices and strategies based on regional differences in levels of development and the presence of underprivileged target groups also fail to prove the links we expected. In the most developed region of the country, Central Hungary the number of firms with EOPs is significantly higher than in the other two more disadvantaged regions.

References

- Berényi, A. and Kollár, Cs. (2009) Szervezeti ismeretek – A munka világába való visszatérés – Az esélyegyenlőségi stratégia alapjai, in Székelyné K. E. and Szabó, G. (eds.) *Esélyegyenlőségi kommunikációs ismeretek a munka világában - HR*, Fogyatékos Személyek Esélyegyenlőségéért Közalapítvány, AduPrint Kiadó és Nyomda Kft., Budapest, pp. 54-70. ISBN:978-615-5043-65-9
- Chikán, Cs. (2001) *Esélyegyenlőség, fogyatékoság*, Mozgáskorlátozottak Pest Megyei Egyesülete, Budapest, pp.11-89.
- Csehné Papp I. (2007) The link between education and the state of the labour market in Hungary, *Gazdálkodás*, english special edition, pp.157-163. ISSN 0046-5518
- Farkas, F., László, Gy and Poór, J. (2008) Új kihívások és válaszok, in Farkas, F., Karoliny M-né, László, Gy. and Poór J. (eds.) *Emberi erőforrás menedzsment kézikönyv*. Complex Kiadó Jogi és Üzleti Tartalomszolgáltató Kft., Budapest, 494.p.
- HELIOS II. program Európai Unió Bizottsága (1996) *A fogyatékos emberek esélyegyenlőségének útján*,
- Jacobs, L. (2004) *Pursuing equal opportunities: the theory and practice of egalitarian justice*, Cambridge University Press, Cambridge, 10-11.p.
- Kadét, E. (2008) Esélyegyenlőség és esélyegyenlőség-elvű támogatáspolitikai, in Bernáth G. (ed.) *Esélyegyenlőség – Deszegregáció – Integráló pedagógia: egy stratégia elemei*, Educatio Társadalmi Szolgáltató Közhasznú Társaság, Budapest, pp.36-37.
- Könczei, Gy. (2002) Hogyan nyilvánítanak valakit rokkanttá? A munkaképesség-csökkenés elbírálása és osztályozása, in Kálmán, Zs. and Könczei, Gy. (eds.) *A taigetosztól az esélyegyenlőségig*. Osiris Kiadó, Budapest, pp.241 – 242..
- Malik, H. (2003) *A practical guide to equal opportunities*, Nelson Thornes Ltd., Cheltenham, 1-22.p.
- Neumann, L. (ed) (2010): *Munkahelyi foglalkoztatási viszonyok – 2010. A kérdőíves felmérés eredményeinek elemzése*. TÁMOP 2.5.2: A partnerség és a párbeszéd szakmai hátterének megerősítése, közös kezdeményezések támogatása, [Online] Available:

http://api.ning.com/files/zAQriKitJMPc6NUY1UB_0rIJUTgKBzM5ePAEwhL1B-boow-tHFhMd3-S2G6FT8IAQoGdxwZVh52s1qv0QnrWe6a2cECKsuZ/MunkahelyiFoglalkoztatasiViszonyok2010.docx [12 Apr 2014]
I1: Nemzeti Erőforrás Minisztérium (2014) *Esélyegyenlőségi terv*, [Online] Available: hbfhungaricum.hu/progress/.../eselyegyenlosegi-terv-segedlet.pdf [12 Apr 2014]
I2: GAK (2014) *Esélyegyenlőségi stratégia, terv készítése*, [Online] Available: <http://www.esely.gak.hu/node/24> [12 Apr 2014]
I3: WERS (2004) *Workplace Employment Relation Survey 2004*, [Online] Available: <http://www.wers2004.info/index.php> [12 Apr 2014]