

PRESS RELEASE

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Why are so few women are selected for top positions? - a research into executive selection.

21 st of May international day of diverse cultures. On this occasion the Equaliser Foundation is launching its research into the process of executive selection. Executed through 45 deep interviews in the Visegrád 4 countries and Croatia, interviewing headhunters and top managers of big companies, examining the questions of corporate culture, its' effects on the selection process, the effects of society's expectations, age, bias and many other sensitive topics related to executive search and selection.

Equaliser Foundation also launches a Whitepaper that is aimed to help companies who want to increase their diversity and become a more inclusive and through that a more successful business. The Whitepaper builds on the research findings, on international research and also from the practice and success of the companies who sponsored the research, namely: Henkel, MOL Group, Hungarian Telekom and the Hungarian company of Lee Hecht and Harrison.

In the research designed and conducted by 2 professors from the University of Corvinus in Budapest, Dr. Beáta Nagy and Dr. Henriett Primecz, we were looking for reasons why so few women are selected into top positions, where and how talented women are dropping out in the process of executive selection. The respondents of the deep interviews were headhunters and company leaders who bring hiring decisions. The aim was to unveil the obstacles that contribute to the unequal outcomes for the 2 sexes, to unveil any unconscious bias and how that affects the results. As such, this was a unique research in the region.

Why don't we have more women? How can we increase the percentage of female leaders?

The experiences in the V4 countries are varied, some countries have big differences. **Both the Polish and the Hungarian** respondents (headhunters and company executives alike) mentioned the **conservative social attitudes as negative effects on women's careers**. Respondents from both of these countries admitted the closed attitudes of their societies in terms of cultural differences, and in **Hungary especially the unequal distribution of house and family work, where looking after the children was perceived to be the sole responsibility of women.**

A whole complex solution seemed to have emerged from the interviews, on how to increase the proportion of women in top management positions. Many were suggesting that **schools should be doing more for equality**, so that the sexual stereotypes do not limit the career choices of students. (eg. career counseling)

Many of the respondents had faith in **company policies, mainly in flexible working options** that should be available for all, in showing role models for women and supplying mentoring for women. It was also regularly mentioned that women are reluctant to take on higher responsibility roles, so they should be educated, while **women seem to think they do not get the same opportunities.**

It was brought up that regulators and policy makers should provide help, by introducing **mechanisms that expect and push the issue of gender equality through**.

The headhunter- client contract

Top positions are most often filled with the help of an outside service provider (headhunter). It is clear from the research that the interest of the headhunter is that the selected person works out as a good choice, and both the hiring organisation and the selected individual is satisfied with each other, at least till the end of the guaranteed period. Even when some companies clearly ask for somebody different, in order to increase diversity and freshen up the organisation, the headhunters do not want to take the risk and very different candidates will not make it to the short list.

“Diversity is a value for the organisation and the employees, too. Women leaders look at the world through different lenses, and can therefore bring different decisions, can be different leaders. This can increase the productivity of companies and can enhance loyalty of the employees. It is important that companies have talented and trained women leaders.” said Andrea Juhos, managing director of Lee Hecht Harrison.

Organisational Culture

The issue of **corporate culture** is a highly important one in the selection of leaders. It is seldom questioned and companies usually **aim to recruit people who fit in**, and do not change it. It is typical for the headhunter to prepare female candidates to fit the criteria set up - even if subconsciously - by men, for men. During the interviews many headhunters and company executives - among them men, too - criticised some companies' masculin corporate culture. They still however thought that for this to change first the women have to fit in (“become masculine themselves”) and once inside the company, they should change the culture.

“What more can a good employer offer than a stable working environment, equal pay and treatment during such a sensitive time like maternity leave is? At Henkel Slovensko we successfully managed to implement a series of steps that resulted in 100 % of our female managers to return to the same managerial positions.” - said Alica Štěpánová Kolárová, HR Director of Henkel Slovakia

Company Policies

Diversity and Inclusion initiatives are widely implemented and were brought up in all countries among company executive respondents. One of the most easily achieved diversity target is gender balance, but **age diversity was often mentioned** as important, too. While the combination of gender and age also affect women more negatively where headhunters admitted that the female career might start to narrow at around 45 years of age. Those respondents who mentioned the importance of diversity were at least vaguely aware of the positive business results that diverse teams could bring to the company.

“Diversity and also Inclusion have impact on business outcomes and sustainability metrics, mostly productivity, innovation, engagement and retention, therefore, need to be part of the business strategy.” - said Zdravka Demeter Bubalo, HR Senior Vice President of Mol Group

It was revealed that many **company decision makers took part in unconscious bias training**, and all found it very beneficial. It is well known by now from international research that this training in itself is seldom enough - it only represents one element of the actions to be taken, and will not bring lasting change in the culture by itself. (Noon, 2017; Williamson, Foley, 2018)

The training can be successful when other company policies support the culture change, too, making it more inclusive. Employees who are different from the norm can bring their positive effect only if the organisation and the colleagues include them, not just “let them be”.

„I am proud that we created the first free of charge Hungarian language educational material that can help companies to recognise and combat unconscious bias. We, at Hungarian Telekom have all done this training, and many other companies have used it, too. Today, it is part of our mindset and our culture to be inclusive.”- added Éva Zanin, Diversity and Equal Opportunities Expert of Hungarian Telekom

Differences among V4 countries

One of the strongest differences in the role of the different sexes was about maternity. Hungarians, Slovaks and Czechs were all similar in assuming that **the mother has to be the main carer for the children and that this is not compatible with a career**. This was strongest amongst the Czech respondents who reported that the long maternity leave would hardly ever go under the typical 2 and a half years even in management positions. Polish women typically return after a shorter maternity leave, but **because of the lack of available childcare facilities they would hire a nanny** into their home to look after their child. In the case of **Poland**, a further advantage seems to be the **presence of more multinational companies** (who might not have offices in smaller countries) but are more inclusive also because of the race for talent. These multinationals educate the locals about diversity and inclusion and its benefits and are **actively supporting women and mothers to get into management positions**.

“During our interviews we realised that the companies need to make very clear to the headhunters that they embrace diversity. Otherwise the headhunters will go for the candidates they assume most fitting and this can be misleading. Unconscious bias training is not only necessary at the company level but also for the headhunters. Overall, we think there is much more room for manoeuvre at both sides of the contract, than the respondents realise.” – added Professor Dr. Beáta Nagy

Based on this research, on previous international ones and on best practices of companies that the Foundation works with, Equaliser Foundation published a Whitepaper that can help companies who wish to become more diverse and inclusive. A small collection of company best practices. The Whitepaper can be read in the attachment and is also available on the website of the foundation in 5 languages. (www.egyenlitoalapitvany.org).

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