The current situation of equality in the Czech Republic – Country Profile

2013
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Foreword

Dear Reader,

We are happy that we have raised your interest in the EU-Initiative "Equality Pays Off". The initiative supports large companies in successfully adapting to upcoming labour market challenges: Due to demographic change as well as a stronger focus on service and knowledge intensive industries European companies will face a significant shortage of (qualified) skills in the next decades. The initiative covers all EU-27 countries plus Croatia, Turkey, Former Yugoslav Republic of Macedonia (FYROM), Serbia, Norway, Iceland and Liechtenstein – in total 34 countries.

To secure qualified labour, it will be of vital importance for large companies to diversify the group of (potential) employees by better accessing the female labour force. The initiative supports companies within Europe to increase female participation, to improve integration part-time workers, to motivate students to enter atypical fields of education and to reduce horizontal as well as vertical segregation. Consequently, the initiative contributes to a reduction of the gender pay gap in Europe.

This country report serves as background material for workshops taking place in each country in the context of "EQUALITY PAYS OFF". Workshops shall enhance knowledge exchange between business leaders and key decision-makers of participating companies. The quick and country-specific overview on the status quo will serve as a basis to explore starting points for each company to tap the female talent pool in a better way.

The country report is structured into four parts: After the management summary, Part 1 describes the status quo of equality in the Czech labour market. Part 2 describes our recommended strategic approach for a better access to the female labour force within a company. Part 3 lists initiatives of the public and private sector in the Czech Republic, that support companies in their ambition to enhance equality.

Further information on the EU-Initiative and its respective activities as well as on involved stakeholders can be found at http://ec.europa.eu/justice/equality-pays-off.

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1 The information on the website has been summarized in this country report. Detailed information can be found on the website: http://ec.europa.eu/justice/equality-pays-off.
Management Summary

Demographic change as well as a stronger focus on service and knowledge intensive industries will lead to a significant shortage of (qualified) skills in Europe. While trying to fill the upcoming gap between labour demand and labour supply, companies can benefit from improving their access to the female talent pool by ensuring equality.

Currently, Czech companies do not make full use of the existing labour force potential. Five groups of indicators show the status quo in 2011:

- **The general participation rate of women in the Czech labour market lies at 57.2%** - which is close to the EU average (58.5%) – the rate of women actively searching for work (8.0%) is also close to the EU-27 average (9.8%)

- **The rate of Czech women working part-time (8.5%) is significantly lower than the EU average (31.6%)** – the female average part-time weekly working hours (22) are about as high in the Czech Republic as on EU average (20)

- **College/university (tertiary education) attainment of Czech women has increased to 16.0% but still remains below the EU average (24.8%)** – gender segregation in the choice of education is pronounced in the Czech Republic as well as in the EU-27

- **The under-/overrepresentation of women and men in occupations or sectors** is pronounced in the Czech Republic as well as in the EU-27 – it is necessary to motivate graduates to enter gender atypical sectors

- **The under-/overrepresentation of women and men on hierarchical levels** is pronounced in the Czech Republic and in the EU-27 – the proportion of women on supervisory boards lies around EU-27 average (15% vs. 14%); the proportion of women in parliament lies far below EU average (18% vs. 35%)

The **unadjusted gender pay gap** – the overall difference in income between women and men – is significantly higher in the Czech Republic (25.5%) than on EU-27 average (16.4%).

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2 Horizontal segregation
3 Vertical segregation
1. How Czech companies access the talent pool

In the following, we give a brief overview over the current situation of employment in the Czech Republic in comparison to the overall EU-27 average.

1.1 General participation of women in the labour market

The employment rate of women in the Czech Republic lies around the EU-27 average. Also, women still do not participate to the same degree as men in the labour market. The difference between the male and female employment rate in the Czech Republic was around 17 percentage points in 2011. This situation remains unchanged since 2002.

In addition, it is notable that the female employment rate has not increased since 2002. It is therefore a core challenge to support any initiatives directed at encouraging more women to enter the labour market.

Figure 1: Labour market participation of women and men in the Czech Republic in comparison to the EU-27

The unemployment rate of Czech men and women has hardly changed since 2002 and now equals 8.0% for women and 5.9% for men. The unemployment rate of women is, however, still slightly below the EU-27 average.

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1.2 Part-time segregation

The Czech Republic has a significantly lower part-time rate for women than the EU-27 average. In the Czech Republic, only 8.5% of all employed women work part-time, although, according to a 2008 Eurobarometer survey, 27.3% of Czechs consider this a good way of combining work and family life. In the EU-27, the number of female employees working part-time equals 31.6%.

The part-time working hours as share of full-time working hours have decreased for both women and men since 2002. The share is higher for female employees than for male employees. Both figures are higher than those in the EU-27 in 2011.

The low part-time rate shows that women in the Czech Republic tend to work full-time or not at all. Keeping in mind the relatively high rate of women actively searching for work, this fact exhibits a great potential for Czech companies to gain better access to the female talent pool. For instance, a starting point can be to offer more part-time options or flexible work arrangements in order to allow for a larger number of women to enter the labour market.

A prerequisite for encouraging a larger number of women to enter the labour market is to create the necessary framework for the reconciliation of work and family life. Currently, formal childcare arrangements are much less frequent in the Czech Republic than on EU-27 average. The rate of Czech children under 3 years that are in childcare for more than 30 hours per week equals 0%. The respective EU-27 average lies at 14%. This also applies to children between 3 years and school age, but to a far lesser extent. Here, in the Czech Republic, 32% are in childcare for less than 30 hours a week and 39% for more than 30 hours a week. In comparison, the EU-27 average for childcare is 39% for less than 30 hours a week and 45% for more than 30 hours a week.

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Childcare arrangements in the Czech Republic in comparison to the EU-27

Childcare is predominantly carried out by mothers in the Czech Republic – this is due to an insufficient number of childcare facilities. It often results in women not being available for the labour market for several years because of family duties. The "negative impact of parenthood on female employment" amounts to more than 25% in the Czech Republic. Offering corporate childcare facilities or providing employees with financial assistance for childcare can be a starting point for companies to gain better access to the female talent pool and to enlarge the participation rate of women.

The traditional role of women as the main responsible for family duties is also reflected by Czech legislation regarding parental leave. Maternity leave legislation is extensive, but there is no legal entitlement to paternity leave so far. Also, a number of studies have shown that having young children is negatively correlated with female employment, as women tend to withdraw from the labour market for at least the first three years after childbirth and face great difficulties re-entering afterwards. This is underlined by the fact, that the employment rate for women with small children between 0 and 6 years old lies at only 35.8% in the Czech Republic – this is the second lowest number in the EU (EU-27 average: 59.7%). A means to increase the rate of women returning to work after maternity leave is to systematically accompany the parental leave process, i.e. inform and prepare parents before leave, hold contact during leave and provide assistance for re-entry at the end of the leave period.

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8 Report on Equality Between Women and Men 2010, European Commission; Directorate-General for Employment, Social Affairs and Equal Opportunities; Unit G.1
9 Czech Demography, 2009, Vol. 3: "The current "Baby Boom" in the Czech republic and family policy"
10 Report on Equality Between Women and Men 2010, European Commission; Directorate-General for Employment, Social Affairs and Equal Opportunities; Unit G.1
1.3 Qualification level and choice of education

The secondary education attainment of Czech women is significantly higher than the EU-27 average (see figure 4). On the other hand, it is lower than that of men in the Czech Republic. However, this trend is evolving to the contrary regarding tertiary education. The attainment of Czech women is far lower than the EU-average, and approximately at the same level as that of Czech men. In combination with the lower employment rates of women compared to men, this shows that qualified women represent a huge potential for the Czech labour market.

![Figure 4: Education attainment in the Czech Republic in comparison to the EU-27](image)

On the one hand, the existence of "typically" female fields of education is notable in the Czech Republic. 78.6% of all students in "teacher, training and education science" and 77.7% of all students in "health and welfare" are female. These numbers are even slightly higher than the EU-average for these fields of study (76.7% and 74.0%). In addition, the rate of women in "typically male" subjects is about as high in the Czech Republic as in the EU-27: women represent 35.2% of all students in "science, maths and computing" (EU-average: 37.6%) and 25.0% in "engineering" (EU-average: 25.0%). Hence, gender segregation in different fields of study is about as much pronounced in the Czech Republic as on EU-average.

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1.4 Horizontal segregation

Gender segregation along sectors is only partially pronounced in the Czech Republic. Three of the top five female sectors, "manufacturing", "wholesale & retail" and "public administration", are also among the top five male sectors. Added up, 37.0% of all female employees and 45.2% of all male employees work in these three sectors. The two remaining top-5 female sectors, "education" and "health & social work", are "typically female". For example, 11.2% of all employed women work in "health & social work" whereas only 2.4% of men work in this sector. On the other hand, the second most popular sector for men is "construction" in which 15.5% of all employed men work. The share of employed women who work in this sector is very low with only 1.7%.

The distribution of women and men across occupations is characterised by an exceptionally strong gender bias. Whereas women tend to work as "legal, social and cultural professionals" (17.8%), "personal service workers" (10.5%) and "general and keyboard clerks (9.8%), men are predominantly represented in occupations such as "metal, machinery and related trade workers" (13.7%), "building workers" (11.4%) or "science and engineering professionals" (11.3%).

Figure 7: Distribution of Employment in the main ISCO 3-digit occupations (2010)

In order to compare the extent of horizontal segregation in the Czech Republic with the overall EU-27 average, two horizontal segregation indicators are calculated: (1) Sectorial Gender Segregation Indicator (SGS)¹⁴, (2) Occupational Gender Segregation Indicator (OGS)

- The extent of sectorial gender segregation (SGS) in the Czech Republic (6.4%) is higher than the average of the overall SGS of the EU-27 (5.4%). Consequently, the Czech Republic needs to focus on motivating women to enter "typically male" economic sectors one the one hand and, on the other hand, on motivating men to enter "typically female" economic sectors.

- The extent of occupational gender segregation (OGS) in the Czech Republic (6.4%) is also higher than the overall OGS of the EU-27 (4.6%). Therefore, in the Czech Republic the challenge remains further to focus on motivating women to enter "typically male" occupations and men to enter "typically female" occupations.

¹⁴ Comparing the share of female employees that work in one economic sector to the share of male employees that work in the respective economic sector shows the extent of gender segregation in that specific economic sector. For instance, in the sector "legal, social and cultural professionals", a strong gender segregation exists: 17.8% of Czech female employees work in the sector while only 7.7% of Czech male employees work in the sector (difference in percentage points: 10.1 pp). The Sectorial Gender Segregation Indicator (SGS) reflects the weighted average difference in absolute percentage points (share of all male employees in an economic sector [%] minus share of all female employees in resp. economic sector [%]) across all economic sectors.
In the Czech Republic, only 12% of board positions in large companies are occupied by women (EU-27: 14%). This share has increased by only 1 pp since 2004. The share of Czech women in (executive) management positions in large companies and SMEs has increased by 3 pp since 2004 and now lies slightly below the EU average with (29% vs. 33%). Therefore, the challenge for Czech companies remains to continue promoting women into economic decision-making positions and especially focus on increasing the number of women on boards.

15 Source for statistical data (unless stated otherwise): EC DG Justice; Horizontal and vertical segregation - Meta-analysis of gender and science research, 2010
1.6 Gender pay gap

In the Czech Republic the average female employee earns 25.5% less than the average male employee. Firstly, this number has increased since 2006 and secondly, it is significantly higher than the EU-average which lies at -16.4%.

Unadjusted Gender Pay Gap [%]

<table>
<thead>
<tr>
<th>Year</th>
<th>EU-27</th>
<th>Czech Republic</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td>-23.4</td>
<td>-17.7</td>
</tr>
<tr>
<td>2010</td>
<td>-25.5</td>
<td>-16.4</td>
</tr>
</tbody>
</table>

Source: Eurostat SES

Figure 11: Unadjusted gender pay gap

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2. How to gain better access to the talent pool?

More equality within the business sector and a reduction of the gender pay gap can only be sustainably realised if companies follow a comprehensive approach including corporate strategy, management, operational implementation by business units and HR work organisation and monitoring (“strategic pillars”):

- **Corporate Strategy – Establish gender equality as part of the company’s DNA**
  - The corporate strategy sets the framework for doing business and determines the internal work culture. Experience shows that gender equality – in order to be sustainably established – has to be(come) a company rationale: The concept of gender equality has to be an integral part of the overall corporate strategy. This is the foundation for successfully addressing the gender pay gap within a company.

- **Management – Understand and position management as driver and role model**
  - A management which is convinced and fully endorses the company’s strategy towards gender equality is vital to sustainably establish and live the principles of gender equality throughout the company and contribute to a sustainable reduction of the gender pay gap. The management is responsible for the implementation of the corporate strategy. Also, managers act as a role model and as multipliers within and outside the company.

- **Operational Implementation – Business units and HR striving for more gender equality in daily work**
  - **Fields of action**
    1. Raise awareness among high school graduates regarding the full spectrum of fields of education
    2. Attract top talent irrespective of gender
    3. Strengthen the work-life balance
    4. Promote career advancement
    5. Evaluate the remuneration system
    6. Communicate company’s activities to tap the talent pool in a better way

  - **Work organisation – Create the framework to enable necessary changes**

  - **Monitoring – Monitor and follow up target achievement**

Focusing on one pillar will lead to partial improvements only.

**Corporate Strategy – Establish gender equality as part of the company’s DNA**

**Management – Understand and position management as driver and role model**

**Operational Implementation – Business units and HR striving for more gender equality in daily work**

**Work organisation – Create the framework to enable necessary changes**

**Monitoring – Monitor and follow up target achievement**
Operational Implementation - Business units and HR striving for more gender equality in daily work

Business units and HR are the main structural change agents regarding the improvement of gender equality and a successful reduction of the gender pay gap:

- Business units are responsible for operationalising strategic targets regarding gender equality by actually implementing measures that have been agreed upon in their daily work, e.g. by offering internships.
- HR – as a business partner – offers strategic advice on how to address gender equality sustainably and provides instruments and processes to attract, retain and develop top talent, e.g. by designing regular evaluation processes.

There are six main fields of action for operational implementation:

- **Raise awareness among high school graduates regarding the full spectrum of fields of education** - To amplify the talent pool, companies need to sensitise high school students early to guide them towards gender "atypical" fields of specialisation in their next step of education.
- **Attract top talent irrespective of gender** – Due to future labour demands, companies need to actively dissolve horizontal segregation and look for talents "outside the traditional box". Hence motivating talents to enter your company requires a systematic and target-orientated HR marketing.
- **Strengthen the work-life balance** – Attracting and retaining talents and efficiently integrating part-time workers into the workforce requires the reconciliation of work and private life.
- **Promote career advancement of women** – Attracting the best talents for your top management positions requires supporting the career advancement of women. It is essential to eliminate barriers that limit the progression of women on the career ladder.
- **Evaluate the remuneration system from a gender perspective** - In order to attract and retain top talent, European companies need to create an equitable, gender-neutral, transparent, legally defensible and competitive remuneration system.
- **Communicate internally and externally company activities aimed at tapping the talent pool in a better way** - In order to attract, retain and develop top talent as well as contact to other stakeholders, European companies need to enhance transparency on their gender equality activities by using internal and external communication.

Work Organisation – Create the framework to enable necessary changes

Experience shows that - regarding their work organisation - companies often fail to create the adequate framework to make operational implementation of instruments and measures leading to more gender equality and hence a reduction of the gender pay gap work. It is therefore vital to evaluate the organisation of current business activities and
requirements systematically and identify room for change in favour of employees, but beneficial for both parties (employers and employees).

**Monitoring – Monitor and follow up target achievements**

Implementation of measures and instruments towards more gender equality and a reduction of the gender pay gap has to be closely monitored internally in order to be able to assess progress, achievement of or deviations from targets. Monitoring should include indicators that measure company-wide progress as well as the success of individual managers. Additionally, it should be part of the regular feedback talks with top management.
3. Where companies find support to gain better access to the talent pool - Examples

In order to foster a sustainable change towards better accessing the labour force potential of women a series of public and private initiatives – with legislative and non-legislative focus - have been implemented in the Czech Republic. In the following we give an overview over sample initiatives:

3.1 Legislative initiatives (examples)

<table>
<thead>
<tr>
<th>Year</th>
<th>Legislation</th>
<th>Website Link</th>
</tr>
</thead>
<tbody>
<tr>
<td>1993</td>
<td>Listina základních práv a svobod (Charter of fundamental rights and freedoms)</td>
<td><a href="http://www.concourt.cz/view/czech_charter">http://www.concourt.cz/view/czech_charter</a></td>
</tr>
</tbody>
</table>
### 3.2 Public non-legislative initiatives (examples)

<table>
<thead>
<tr>
<th>Name</th>
<th>Sponsor</th>
<th>Target Group</th>
<th>Target</th>
<th>Website Link</th>
</tr>
</thead>
</table>
| Prosazování rovnosti žen a mužů zaměřené na sociální partner - zavádění rovného zacházení na pracovišti (Gender Equality Promotion – Focused on Social Partners Adopting Equal Treatment on Workplace) | Czech Ministry of Labour and Social Affairs, German Federal Ministry of Economics and Technology | Men and women at the workplace | - Support the Czech Republic to comply with its obligations under international and Community Law  
| Rady vlády pro rovné příležitosti žen a mužů (Government Council for Equal Opportunities for Women and Men) | Government Council for Equal Opportunities for Women and Men (established by Government Resolution No. 1033 of October 10, 2001) | Women and men |  
- Discuss and recommend to the Government basic policies for implementing equal opportunities for women and men  
| Zlepšení veřejného institucionálního mechanismu pro zavedení, posílení a kontrolu prosazování rovných příležitostí pro muže a ženy (Improvement of the Public Institutional Mechanism for Applying, Enforcing and Monitoring Equal Treatment for Men and Women) | Czech Ministry of Labour and Social Affairs, Swedish National Labour Market Board, European Union | Women and men |  
- Assist the Czech Republic to comply its legislation on gender equality with Community law  
- Provide a basis for transforming and improving the institutional structure as regards gender equality in order to ensure that gender equality is not merely a matter of formality and gender neutral legislation | [http://www.mpsv.cz/files/clanky/1598/rec_310703_en.pdf](http://www.mpsv.cz/files/clanky/1598/rec_310703_en.pdf) |
| Projekt Audit rodina & zaměstnání | Ministry of Labour and Social Affairs | - Companies  
- Families | - Motivate companies to implement and retain family-friendly structures  
- Identify the most important needs of employees with regard to work-life balance  
- Design and implement action plans | http://www.mpsv.cz/cs/11477 |
### 3.3 Private initiatives (examples)

<table>
<thead>
<tr>
<th>Name</th>
<th>Sponsor</th>
<th>Target Group</th>
<th>Target</th>
<th>Website Link</th>
</tr>
</thead>
</table>
| *Firma roku: rovné příležitosti*          | Gender Studies                                                         | Companies               | - Raise awareness regarding the benefits of gender equality for the companies of the Czech economy  
- Attempt to sensitize companies to enhance work-life balance and promote more females into management positions | [http://rovneprilezitosti.ecn.cz/english.shtml](http://rovneprilezitosti.ecn.cz/english.shtml) |
| *Equal Pay Day*                           | Association of Business and Professional Women in Czech Republic       | Employers, Legislators  | - Sensitize target groups about the gender pay gap  
- Give women the opportunity to network | [http://www.equalpayday.cz/druhy-equal-pay-day/](http://www.equalpayday.cz/druhy-equal-pay-day/) |
| *Český svaz žen*                          |                                                                       | Women                   | - Undertake actions for the promotion of more equal opportunities for women and men  
| Vyrovnání šancí osob pečujících o závislé členy rodiny s ostatními aktéry na pracovním trhu | Czech Helsinki Committee | - Women (men) on parental leave  
- Women who are long-term unemployed  
- Women with low qualifications | - Provide the target group with counseling, vocational courses and trainings  