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Preface

This book presents the results of Polish-Ukrainian scientific cooperation. It contains the papers prepared for the 10th international conference “Quantitative Methods in Accounting and Finance”. Accounting and finance face nowadays many challenges. They require both an international and local approach, they need to be considered from the theoretical and practical point of view, and they also encourage general and specific analysis.

Support from quantitative methods is needed in order to discover, implement and verify new finance and accounting trends, methods and instruments. The research papers which are part of this book present different aspects of accounting and finance combined with a quantitative, in particular Econometric, approach.

Some of the papers focus on methodology of measurement, estimation and forecasting of financial phenomena, especially those related to investment processes. Others address specific problems of accounting such as accounting solutions for different branches, legal issues of accounting, responsibility and reporting. An alternative approach was also undertaken and the roles of a narrative and culture in accounting were presented.

The variety of papers selected for this issue ensures the complexity of the book. It provides theoretical as well as empirical material which can be used in further research and in business practice, particularly in accounting and finance. We hope that the content of the book provides a starting point for scientific discussion and practical changes.

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DIVERSITY MANAGEMENT AND REPORTING IN SELECTED COMPANIES

ZARZĄDZANIE RÓŻNORODNOŚCIĄ ORAZ RAPORTOWANIE INFORMACJI O RÓŻNORODNOŚCI W WYBRANYCH PRZEDSIĘBIORSTWACH

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Summary: The paper presents the characteristics of diversity management and analyses current trends in diversity management and reporting, as observed in the practice of selected companies listed on the Warsaw Stock Exchange. Issues related to diversity reporting and to the scope of diversity policy disclosures are also identified and discussed. The paper is based on studies of professional literature and company documents related to diversity policies and disclosure analyses. Source analysis, synthesis, induction and inference were used as the main research methods.

Keywords: diversity policy, diversity management, diversity reporting, disclosures, banks, corporate social responsibility.

Streszczenie: Celem artykułu jest przedstawienie istoty zarządzania różnorodnością, a także analiza trendów w zarządzaniu różnorodnością i raportowaniu informacji o polityce różnorodności zaobserwowanych w praktyce wybranych przedsiębiorstw notowanych na warszawskiej Gieldzie Papierów Wartościowych. W związku z tym omówiono zagadnienia związane z raportowaniem o różnorodności i określono zakres ujawnień dotyczących polityki różnorodności w wybranych przedsiębiorstwach. Artykuł opiera się na studiach literaturowych oraz dokumentów i ujawnień odnoszących się do polityki różnorodności przedsiębiorstw wybranych do badania. Wykorzystano analizę źródeł, a także metody rozumowania dedukcyjnego, indukcyjnego i wnioskowania.

Słowa kluczowe: polityka różnorodności, zarządzanie różnorodnością, raportowanie na temat różnorodności, ujawnianie informacji, banki, społeczna odpowiedzialność przedsiębiorstwa.

1. Introduction

Companies at present put a strong emphasis on the effective management of stakeholder relations, perceiving it as a way to boost their financial results. This

aspect of management is closely associated with the responsibilities for a company's operation and its impact on the environment. It also requires close integration between the economic, social, and environmental objectives of the company.

Employees are one of the key resources at a company's disposal, and a key factor of its competitiveness. In the face of the present changes on political, economic, demographic and cultural scale, and as a result of increased migration trends and women's emancipation efforts, the diversity of the average employer base may rise in a fairly rapid manner. To improve their potential for market success, companies should learn to recognise this diversity and utilise it to best effect. Diversity management offers also a range of benefits to society at large. Consequently, relevant information on diversity at workplace is in demand among company stakeholders, both internal and external.

This paper is an attempt at presenting the characteristics of diversity management and analysing the present trends in diversity management and reporting, as observed in the practice of selected companies listed on the Warsaw Stock Exchange. Several issues related to diversity reporting and the scope of diversity policy disclosures were also identified and discussed.

The paper is based on studies of professional literature and company documents related to diversity policies and disclosure analyses. Source analysis, synthesis, induction and inference were used as the main research methods.

2. Diversity management issues

Diversity may be associated with variety, multifacedness, heterogeneity, multiplicity, and non-uniformity. Its interpretation is then fairly strongly affected by the study's context. In a company perspective, diversity is mainly analysed in relation to the employee base. In this sense, diversity can be defined in terms of individual differences and proper recognition thereof (as it relates to perceived similarities and dissimilarities), reciprocal interactions and relations between individuals, and also work results [Bell 2011; Cunningham 2007, cited after: Taylor, Doherty, McGraw 2015].

Diversity may be approached from the viewpoint of its manifestations in various dimensions. In addition, it may manifest itself through discernible or non-discernible properties. Diversity is generally analysed in three main dimensions: primary, secondary, and organisational.

The primary dimensions of diversity apply to independent and largely consistent human properties or traits, such as: gender, age, racial profile, nationality, sexual preference/identity, physical abilities, and mental capabilities (also impairments). The secondary dimensions relate to changeable or contingent properties, typically those acquired from life experiences, such as: religious affiliation, world view, education, place of residence, marital status, language, income, lifestyle, work style, preferred patterns of communication. The last – organisational – dimensions of diversity are associated with work specificity and range of duties, covering such attributes as: length

of service, seniority, role and position in company structures, trade union affiliation, form and operational specificity of the company (department, section, unit, work team) [Waszczak 2009; Roszkowska-Śliż 2016].

As suggested by the above, there are many aspects by which one can differentiate the employee base. Thus it seems of utmost importance to not only employ those differences for the purpose of creating shared values for the company and the environment, but also to eliminate the risk of them becoming a source of discrimination or mobbing practices.

The concept of diversity management represents the sum of company activities involved in the appreciation of differences between individuals – both within and outside the company structure – and the formulation of policies, strategies and programmes designed to increase general acceptance of those differences and to employ them for the benefit of the company as a whole [*Firma = różnorodność* 2010]. As such, diversity management should be incorporated into the general strategy at company level.

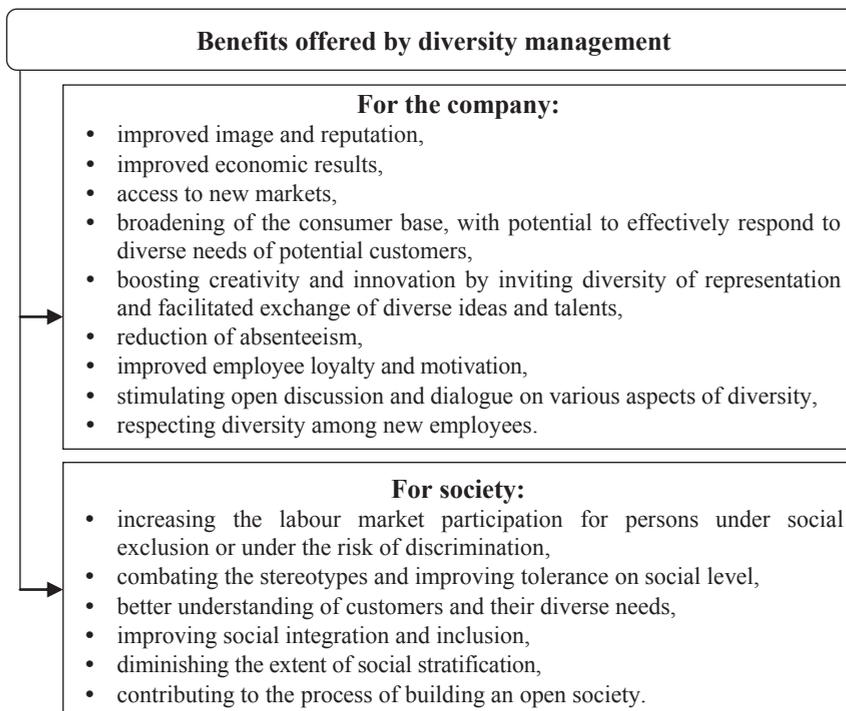


Fig. 1. Range of benefits offered by diversity management

Source: own study based on [Katrinli, Atabay, Gunay 2008; Wojsławowicz, Andrejczuk 2013; Sznajder 2013].

Diversity management is founded on a strong basis of legislative regulations on non-discrimination and equal opportunities. Thus, diversity management at the workplace should be applied to such processes as recruitment, remuneration, employee selection, promotion and demotion, training and personal development.

The incorporation of diversity management as part of a company's arsenal offers a wide range of benefits, not only to the company as such, but also to society at large. Some of the benefits offered by diversity management are presented in Figure 1.

However, the practical implementation of diversity management may be met with some resistance or pose a challenge due to various barriers such as: cultural differences, language barrier, stereotypes, contrasting world views, different behavioural patterns and cognitive abilities. Such barriers may disturb or distort internal communication, generate conflicts among employees, or even impede team cooperation.

3. Diversity reporting

As mentioned earlier, diversity may be analysed in the context of both the employee base and society at large. Companies manifest their approach to employee diversity through their formal policies of diversity, based on the use of such instruments as:

- Provision of employee training to increase their awareness of values to be respected in relation to various aspects of workplace diversity and non-discrimination.
- Empowering women to participate in company management.
- Provision of a transparent remuneration system based on principles of gender equality and equal pay for work of equal or comparable value.
- Extending the offer of employment to persons under the risk of social exclusion (disabled, long-term unemployed, close to retirement, etc.).
- Providing employees with equal access to training and professional advancement.
- Incorporation of flexible work schedules.
- Support for employees (including parents) to help them reconcile their professional and personal duties.

Companies should strive to inform their stakeholders about various aspects of diversity at the workplace, to build their involvement and awareness in this context. This process has received formal support in the form of the Directive 2014/95/EU of the European Parliament and of the Council of 22.10.2014, amending Directive 2013/34/EU as regards disclosure of non-financial and diversity information by certain large undertakings and groups.

The Directive was introduced with the purpose of enhancing the significance, transparency and comparability of information disclosed by certain large EU-based companies and groupings with reference to their corporate social responsibility and policies of diversity. The EU Member States are obliged to adopt the regulations contained in the Directive by 6 December 2016.

The Directive emphasises diversity as a factor of public interest, with a potential impact upon the understanding of the undertaking's development, organisation and operation, and beneficial from the viewpoint of effective management. Disclosure of non-financial information about the diversity policy of companies should help measure, monitor and manage their performance and their impact on society [Directive..., pt. 3, p. 1]. For this reason, the improvement of transparency should help stakeholders gain a better insight into the company's policy of diversity. This, in turn, would inform the market of corporate governance practices and thus put indirect pressure on undertakings to have more diversified boards [Directive..., pt. 18].

Of all the regulations contained in the 2014/95/EU Directive [2014], several provisions apply specifically to the scope of disclosures on company diversity policies. These are presented in Figure 2.

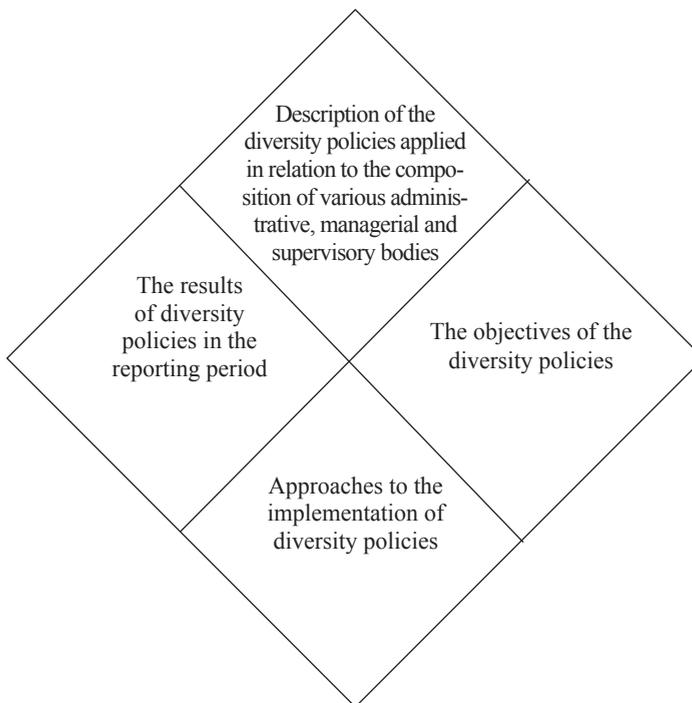


Fig. 2. The scope of information disclosed on matters relating to diversity, as postulated in the Directive 2014/98/EU

Source: own study based on [Directive..., art. 20, par 1g].

The disclosures should be presented as part of the corporate governance statement, as required from public listed companies. Those regulations apply to large publicly traded corporate entities that fulfil, for the duration of the previous and the current reporting period, at least two of the three following criteria [Directive...]:

- Average number of employees during the financial year: 250.
- Balance sheet total: EUR 20 million.
- Net turnover: EUR 40 million.

If a company does not pursue policies in relation to diversity, it is required to provide an explanation for not doing so, in line with the ‘comply or explain’ principle.

By adopting the guidelines recommended by the Directive [2014], companies can inform the general public on their standards, good governance practices, and performances of their policies formulated in the context of diversity management. This will also have the effect of improving communication and dialogue with company’s stakeholders.

4. The scope of disclosures related to diversity policies in the practice of public banking institutions listed on the Warsaw Stock Exchange

The selection of companies for the purpose of this study was based on purposive sampling. The analysis involved companies listed on the Warsaw Stock Exchange and qualified as ‘banking institutions’, i.e. included in the WIG-Banking index. The research was conducted based on the most recent reports available as of 30th April 2016; i.e. annual reports for the reporting year of 2015. The research involved analyses of annual reports pertaining to the aspect of diversity policy disclosures, including those contained in corporate governance statements submitted as part of the annual report [Rozporządzenie Ministra Finansów... 2009; *Best Practice for GPW* ... 2016].

Diversity management is also an important element of the corporate social responsibility of companies. For this reason, the study involved examinations of facultative reports, such as the corporate social responsibility (CSR) reports prepared in accordance with the G4 GRI guidelines of Sustainability Reporting. The most recent CSR reports in the companies under study were available for the year 2014; when such reports were not available at the time, reports for the year 2014 were analysed.

The arbitrary selection of the research sample (publicly traded companies qualified under the WIG-Banking index) was based on the research hypothesis that entities operating in the banking sector typically exceed the employment threshold of 250, and that women represent the majority of the employee base in this sector. Consequently, the problems of diversity management and the use of diversity as a source of competitive advantage would constitute an important element of their management strategy. By communicating their intent on respecting the diversity of their employee base, companies may greatly improve their relations with the general public and emphasise (and enhance) their positive impact on environmental and social matters.

The sample of 13 companies used for the purpose of this research included the following: Alior Bank, Bank BPH, Bank Ochrony Środowiska (BOS), Bank Zachodni WBK (BZWBK), Getin Holding, Getinoble Bank, Bank Handlowy, Idea Bank, ING

Bank Śląski, mBank, Bank Millennium, Bank Pekao SA., Bank PKO Bank Polski. The remaining companies, namely: Banco Santander and UniCredit, were not included in the sample, since their managerial and CSR reports were found to refer to their respective capital groups as a whole, as opposed to by-entity reporting.

The research involved verification of four tests, to identify whether the banking company was:

- listed on the WSE Respect Index,
- a signatory to the Diversity Charter,
- pursuing a policy of diversity,
- pursuing the Best Practice for GPW Listed Companies 2016.

The Respect Index is a prestigious index of those companies listed on the WSE that show best standards or corporate social responsibility [Indeksy giełdowe]. In addition, the Respect Index serves to emphasise the investment opportunities offered by the listed companies, by attesting to the quality of their reports on social and environmental impact.

Promotion of equal opportunities and diversity at workplace is the central focus of the “Diversity Charter” initiative [*Karta Różnorodności w Polsce*]. Signatories to the Charter proclaim their unwavering involvement in recognising and respecting diversity and in the use of high standards of diversity management. By signing the Charter, companies make an obligation to combat discrimination at the workplace, and to introduce policies for the support and promotion of diversity. Signatories are required to, among other things, provide annual reports on matters related to diversity management and their practical effects.

Information on diversity policies can be disseminated through company websites, annual managerial reports and CSR reports.

The use of (and conformance with) Best Practice Recommendations for Companies Listed on the WSE (2016 edition) was also tested. Diversity aspects are covered in principle I.Z.1.15 and in the recommendation II.R.2 [*Best Practice for GPW...*].

Results of the above analysis are presented in Figure 3.

The analysis of the companies belonging to the WIG-Banks shows that six banks (46%) are listed in the Respect Index, namely: Bank BPH, BOŚ, Bank Zachodni WBK, Bank City Handlowy, ING Bank Śląski and Millennium Bank. This means that they have a corporate social responsibility strategy and are held responsible for the economic, social and environmental aspects of their operation. Only two of the banks (15%) are signatories to the Diversity Charter, namely: Bank BPH and Bank City Handlowy. Four of the banks (31%) prepare their CSR reports. This means that these banks also disclose non-financial information, including fair treatment of employees and a diversity policy.

This group includes: Bank BPH, BZ WBK, ING Bank Śląski, Millennium Bank. Eight out of thirteen banks (62%) report having a diversity policy. Moreover, the companies must disclose whether they comply with the rules of the code of corporate governance “Best Practice of GPW Listed Companies 2016”. Only four banks reported

that they do not apply this principle in whole or in part, e.g. by withholding information on the age of board members.

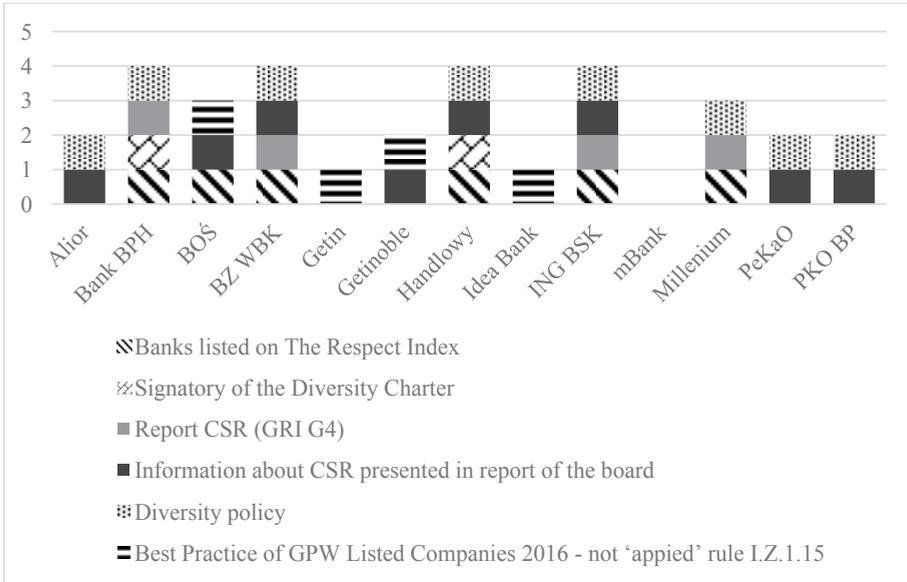


Fig. 3. Information on the sample of companies selected

Source: own study.

In addition, the analysis involved the determination of the range of disclosures in the sample of companies under study. Disclosure of information on board composition (such as the age, education, gender of members) is an important aspect of the policy of diversity. Table 1 presents the identified range of disclosures in this particular segment of reporting.

The results show that all of the banks under study include information on board diversity in their managerial reports, by gender, age, and nationality. Banks involved in CSR reporting were also found to include information on their employee structure by age group, gender, and by rank and age (<30, 30-50, >50). Based on the information on board composition, one can also derive the percentage of foreigners among board members. Diversity of descend may influence company approach to management, e.g. by necessitating certain responses to cultural differences. In 2015, four out of thirteen banks under study reported having no foreigners among their board members.

The empowerment of women and their representation in company management are other important aspects addressed by diversity policies. Diversity policy in this aspect should focus on the effective use of the talents, knowledge, and skills of their female employees. Company management can be strongly influenced by the formal approach to gender diversity, but its effects can only be expected if the share of women

in board composition exceeds the margin of 30% [Adamska, Twarowska, Kasak 2015]. Many international studies suggest that increased representation of women on company boards has the effect of improving company results, as measured by such indices as profitability (ROE, ROS, ROIC), debt rate, capitalisation, or B/PV (price/book value). The increased representation of women in company board composition was found to coincide with better financial results on a company level [Catalyst 2011; Dawson, Kersley, Natella 2014; Martin-Ugedo, Minguez-Vera, Palma-Martos 2016].

Table 1. The range of disclosures on diversity in the composition of the management and supervisory boards and the employee base in 2015

Areas of disclosures on diversity policies with reference to age, gender, education, professional experience, and descent	Alior	Bank BPH	BOŚ	BZ WBK	Getin	Getinoble	Handlowy	Idea Bank	ING BSK	mBank	Millennium	Pekao SA	PKO BP
Management board by gender	x	x	x	x	x	x	x	X	x	x	x	x	x
Supervisory board by gender	x	x	x	x	x	x	x	x	x	x	x	x	x
Employee base by gender	x	x		x					x		x		
Management board by age group		x		x					x		x		
Employee base by age group		x		x					x		x		
Employee base by rank and age group		x		x					x		x		
Diversity of management and supervisory boards by education and professional experience	x	x	x	x	x	x	x	x	x	x	x	x	x
The share of other nationalities in the composition of boards	x	x	x	x	x	x	x		x	x	x		

“x” means that the company discloses such information.

Source: own study.

This study analysed the aspect of gender composition of boards in companies listed on the WSE, and analysed trends in this regard, compared to the last reporting period. The results suggest that, in 2015, women were better represented in supervisory boards, compared to management boards. In 2015, women’s participation in supervisory boards was at 17.4%, an increase of 2.5 percentage point compared to 2014. Over the period of 2014-2015, the most pronounced increase in the women’s share was found in the composition of management boards, from 13.3% to 17.2%. No women were reported to hold chair positions in the boards of companies under study, neither managerial nor supervisory. The share of women in the composition of managerial and supervisory boards of banks under study, as per 2015, is presented in Figure 4.

As suggested by the above, the largest participation of women was found in the boards of Alior Bank (40%), followed by Bank Pekao SA (25%) Millennium Bank (24%), ING BSK (21%), and PKO BP (20%). The boards of BOŚ and Getinoble

had no women's representation, whatsoever. Only one woman was reported in the composition of Getin Bank boards, and BPH reported two female representatives (one in management, and one on the supervisory board). The remaining companies reported their participation at three or more. Alior Bank was the only company to exceed the postulated 30% threshold of women's representation. This may suggest that female board members at Alior Bank are better equipped (compared to women in the boards of the remaining banks) to utilise their competences, skills, and creativity, and to influence changes in company management, organisational culture, innovation processes and employee satisfaction, to the effect of improving the company's financial result.

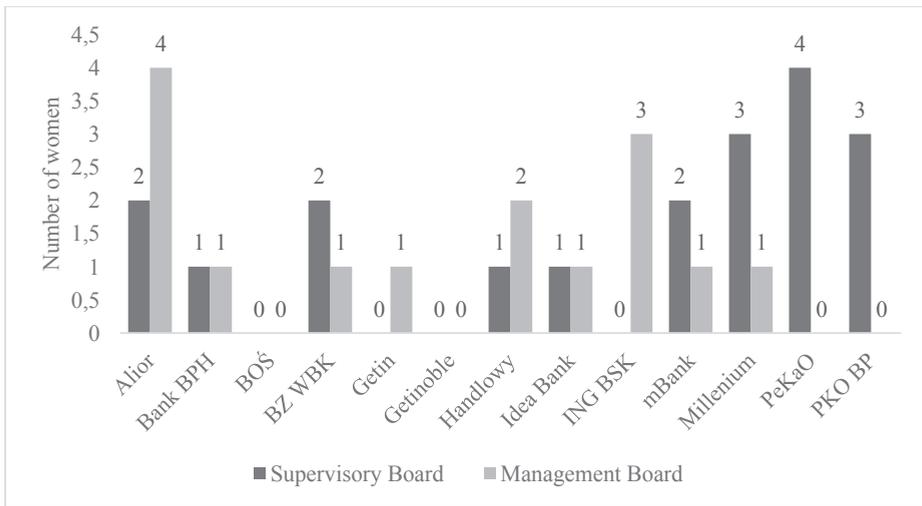


Fig. 4. Women's representation in Supervisory Boards and Management Boards of banks under study, in 2015

Source: own study.

Policies of diversity should also apply to the provision of the fair remuneration of men and women, i.e. equal salary for work of equal or comparable value. In addition, it should stimulate the formation of an organisational culture of respect for diversity. Information on gender equality in wage distribution and building of suitable organisational culture, as disclosed by banks under study, is presented in Table 2.

Disclosures with respect to the ratio of female-to-male salaries were found only in three of the banks under study: BZ WBK, ING BSK, and Millenium Bank. Based on these disclosures, the ratio was found to be in the vicinity of 80%, suggesting that wages offered to female employees were lower than those offered to male employees for comparable work. Moreover, eight of the banks under study (61.5%) were found to inform stakeholders about the need for changing their organisational culture for the purpose of increasing the beneficial effects of diversity and its potential for the company, in line with company policies of diversity.

Table 2. Diversity policy disclosures with respect to equal pay and organisational culture of selected banks, for the year 2015

Elements of diversity policy	Alior	Bank BPH	BOŚ	BZ WBK	Getin	Getinoble	Handlowy	Idea Bank	ING BSK	mBank	Millenium	Pekao SA	PKO BP
The ratio of female to male salaries				x					x		x		
Building an organisational culture based on diversity, mutual respect, involvement and cooperation	x	x		x			x	x	x		x		x

Source: own study.

The implementation of diversity policies involves also the design and introduction of support programs for employees, including activities intended to improve the development of competences for women, talent-management strategies, and employee training on matters related to diversity. The range of disclosures related to this area (i.e. to employee development) is presented in Table 3.

Table 3. Disclosures related to diversity policies, as applied to the formulation and implementation of support and development initiatives for employees, in 2015

Forms of employee development	Bank												
	Alior	Bank BPH	BOŚ	BZ WBK	Getin	Getinoble	Handlowy	Idea Bank	ING BSK	mBank	Millenium	Pekko SA	PKO BP
Support for the professional and personal development of employees	x	x		x			x				x		
Programmes for the development of talents and potential, including those addressed to female employees	x	x		x			x		x	x	x		X
Talent management strategies	x	x		x			x		x	x	x	x	X
Average number of training hours per employee, or number of employees participating in training programmes		x	x	x					x		x		
Training of diversity management, addressed to managerial personnel	x	x		x			x		x	x	x		X
Employee training on matters related to diversity		x		x			x						

Source: own study.

As suggested by the above, the largest range of disclosures was presented by Bank BPH and BZ WBK. Slightly lower ranges of disclosure were found for Bank Handlowy and Millenium Bank. Most of the banks under study (nine banks) choose to limit the

range of disclosures in this area to information on talent management strategies and talent development, including programmes addressed to female employees. Banks do inform their stakeholders about diversity training programmes, but – for the most part – only those addressed to managerial personnel.

A company's approach to best practices in diversity is another important area of disclosures related to policies of diversity is the strategy of best diversity practices (Table 4). Best practices, in this context, relate to initiatives designed to support diversity and the fair treatment of employees.

Table 4. Disclosures related to diversity policies, as applied to the implementation of best practices in diversity, in 2015

Best practices in diversity management	Bank												
	Alior	Bank BPH	BOŚ	BZ WBK	Getin	Getinoble	Handlowy	Idea Bank	ING BSK	mBank	Millenium	Pekao SA	PKO BP
Policies designed to prevent discrimination, molesting and mobbing at workplace	x	x	x	x	x	x	x	x	x	x	x	x	X
Information on cases of discrimination				x									
Programmes for young parents	x	x		x					x		x		
Information on employees returning from maternity leave		x		x					x		x		
Programmes designed to support the employment of persons with disabilities		x		x							x		X
Information on the number of employees with disabilities		x		x					x		x		
Introduction of flexible work schedules		x		x			x		x				
Increased representation of women on the board	x		x	x			x	x			x		
Information on employee advancement											x		
Management of employment generation structure (inclusion of 50+ and 30- age groups in the structure of employment)		x		x					x		x		

Source: own study.

Based on the above, it may be concluded that policies of non-discrimination, anti-mobbing and anti-molesting are present in each of the banks under study. Only one bank (BZ WBK), was found to disclose information on reported practices of workplace discrimination. 38% of the banks under study reported the use of programmes addressed to parents, but only 31% chose to report information related to maternity leave (the number of persons eligible for a maternal leave, presently on leave, returning from leave, and those who had returned from leave and continued their employment for at least 12 months thereafter). Flexible work schedules are another form of support

for employees – such measures were reported by four banks: Bank BPH, BZ WBK, Bank Handlowy, and ING BSK.

Policies of diversity can also be recognised through the annual increase of women's representation in management (management and supervisory boards, top executive positions). Based on disclosed management reports and CSR reports, such increases against values reported for 2014 were observed in Alior Bank, BOŚ, BZ WBK, Bank Handlowy, Idea Bank, and Millenium.

Millenium was the only bank under study to disclose information on promotions by age group and by gender (both in numerical and percentage values).

5. Conclusion

In search of opportunities for growth and development, companies increase their involvement in operational improvements. Building a competitive advantage through the provision of fair working conditions based on tolerance, trust and respect for diversity, and the effective utilisation of diverse talents and skills of the employee base is a viable strategy for improving the company's economic result. Proper recognition and the rational use of the unique attributes of employees is at the heart of diversity management, based on a well-designed policy of diversity, and supported by the proper disclosure of such information to company stakeholders.

Changes of regulations designed to extend the range of disclosures on non-financial and diversity related information may bring positive effects to society at large. The growing social pressure on full disclosure of various aspects of company operation, including the aspects related to diversity, and supported by formal regulations, may – in the long-term perspective – enhance the recognition of workplace diversity as a factor of economic value, and stimulate company involvement in transparent disclosure of any information in this area.

The banks under study tend to approach diversity mainly in relation to gender, age, level of education, professional qualifications, and disability. Analysis of the disclosures presented by the selected banking sector entities suggests that they are mostly aware of the significance of workplace diversity and its potential impact on the financial performances. This is also evident in their reported intentions on improving the existing policies. Companies under study show an awareness of the need to disclose various aspects related to diversity, along with other social and environmental effects of their operation, and are consequently more inclined to communicate those aspects to stakeholders as part of the management reports attached to annual financial reports. Detailed information on these aspects is also included in CSR reports. The latter are largely facultative, and therefore employed only by few of the banking institutions under study. It may be observed that banks choosing to include CSR reports as part of their disclosures are also more likely to disclose a much wider range of information related to their diversity policies, compared to those that provide no such reports. It is evident that some of the banks under study, such as BOS, Getin, Getinoble, Pekao

and PKO BP, clearly limit the range of disclosures to include only such information as required by applicable formal regulations.

Gender equality is another important aspect of operation typically addressed in the context of corporate social responsibility. In this sense, it may be useful to emphasise the intent – on the part of some banks – to increase the representation of women in their managerial structures, both in company boards, and with relation to top executive positions.

Some of the banks under study seem to appreciate the role of women in the workplace setting, and consequently introduce various programmes to support both the professional and personal development of their female employees. All of the banks seem to be well aware of the fact that talent management is an important determinant of company competitiveness. It must be noted, however, that the narrow range of disclosures, as observed in relation to some of the banks under study, does not necessarily imply a corresponding lack of activities in the analysed area, as all of the banks seem to be aware of their need to provide fair working conditions for their employees, based on mutual respect and tolerance.

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