

Chapter 10. Summary of conclusions and basic findings of the survey

10.1. THE EXECUTIVE LABOUR MARKET IN GREECE – GENERAL APPROACH

On the basis of the National Statistical Service of Greece (ESYE) definitions, we may consider the following categories of employed people to be executives:

1. Members of parliamentary bodies and senior administrators in public administration and special interest organisations.
2. Managers and senior administrators in large public and private enterprises and organisations (employing 10 or more people).
3. Managing entrepreneurs and directors of small public and private enterprises (employing fewer than 10 people).

The occupational category of executives, which includes approximately 410,000 people, is growing at a rate slightly greater than the growth rate of employment as a whole. Thus, between 1993 and 1997 the total number of executives increased by about 30,000, and the proportion of executives among all occupations rose from 10% in 1993 to 10.5% in 1997.

An analysis of the ESYE data might support the hypothesis that the executive labour market has shown, **first**, a strong dualism based on the distinction between paid employment and self-employment, and **second**, strong gender discrimination.

The labour market for executives in paid employment consists of only 37,000 people (1997 data), whereas the vast majority of executives, i.e. about 370,000 people, are self-employed.

The dualism between paid employment and self-employment may justify the fact that the occupation of executive, compared to all occupations, is peculiar in that it attracts/needs, on the one hand, people with an extremely high level of education (doctorate), and on the other large numbers of lyceum (and secondarily gymnasium) graduates: in all likelihood, the former are employed by large companies, and the latter are self-employed (either as managers of small businesses employing staff, or simply isolated self-employed people with no employees).

The same dualism may well explain the small percentage of executives in the urban areas of the country, compared with the percentage of the labour force concentrated in such areas: this is because urban areas include a relatively small proportion of self-employed people, along with larger units of production.

Another aspect that strengthens the hypothesis of a dualism of paid employment and self-employment is the fact that employed earners working as executives are employed mainly in four sectors of the economy: manufacturing, the financial intermediation sector, trade and public administration.

The executives who are self-employed, by contrast, are in large part (about 2/3) concentrated in the sector of trade. It is also very likely that secondary education graduates are also concentrated in this sector.

A second distinctive feature of executives is their differentiation by sex. Three out of four executives are men, and this fraction is even higher in the case of paid employment. On the basis of data for the 1993-1997 period, the situation appears to have remained unchanged. This gender difference cannot be explained by differences in the educational level of males and females.

With regard to age, the predominant age group among men is 45+, whereas among women it is 30-45. This difference is most probably due to the fact that women have entered the labour market more recently, and what we are seeing is merely a time delay phenomenon.

A factor that does not appear to enter into the differentiation between the two sexes is the effect of age on the occupation of executive: the older a person is (regardless of sex), the more likely he/she is to work in an executive position. This may mean that experience is a key factor for performing executive duties.

10.2. CONCEPT, ROLE & INDIVIDUAL CATEGORIES OF BANKING SECTOR EXECUTIVES

The banks use an empirical definition which has been applied for a number of years to the executives in the sector and which distinguishes between the following categories:

- **Top-level executives** include those in top-level administration (or general management) and those in central services (operational/subsidiary departments – administrative units) and branches. Included in this category are assistant managers in administration and in branches of the network.
- **Directors** include subordinate executives in charge of smaller operational units, both in central services and in the network of branches, who report to and come under broader operational units (sub-departments, departments).
- Finally, **specialised staff**, appointed on the basis of evaluations by each enterprise, **do not include executives** (who have already been included in

the preceding categories). However, this category is of interest as a prime breeding ground, in present-day conditions where banks require considerable knowledge and training, for specialised directors and/or top-level executives.

Apart from the aforementioned general definition, the findings of the survey showed that:

- In about half the banks participating in the survey there is no institutionalised definition of the term “executive” in the usual regulatory texts (internal statutes, unit rules, BoD decisions, collective agreements, administrative instruments, etc.).
- Most of the banks recognise their executives by the grade/position of responsibility they hold, thus outlining the importance of executives’ role in the organisational and operational effectiveness of management.
- The banks recognise equally the function executives are called upon to perform both from the position they hold in the company hierarchy and from their ability/obligation to participate in decision-making. By contrast, in the unions’ view the role assigned to executives due to their placement in a specific position in the hierarchy predominates over their participation in decision-making.
- The vast majority of directors are promoted from within the banks. The picture is similar for top executives; however this is not true of top management. The vast majority of the members of top management have been appointed or recruited directly to their positions from the external market. On this question, the banks and unions are of the same opinion.
- None of the banks taking part in the survey considered it more advantageous to hire executives from the external market; on the contrary, the vast majority of banks and unions believe that promotion of executives from within the company is clearly more advantageous. This comes into contradiction with the fact that top management does not advance from within the company but is appointed, a fact which is particularly obvious in banks owned or partially owned by the state.

10.3. BASIC DATA ON BANKING SECTOR EXECUTIVES IN GREECE.

On 31.12.1997, according to the most recent available data from the sectoral Employment Observatory, top executives represented 7.1% of all people employed in the sector (compared to 8.6% in 1995), and directors 19.8% (compared to 21.6% in 1995), respectively.

Overall, there was a decrease in the proportion of executives of all types in the total workforce of the banking sector, from 30.2% of total employment in 1995 to 26.9%.

Executives' share in total employment in the sector shows that even quantitatively they are an important, not at all negligible part (over $\frac{1}{4}$) of the manpower in the sector, which deserves the attention not only of bank management but of the trade unions themselves.

Distribution by sex of the banks' executive workforce appears to be completely disproportionate with the overall distribution by sex of the total labour force. Thus, whereas 45.2% of people employed in banks are women, women occupy only 11.6% of management positions, 36.5% of directors' jobs and 28.9% of specialised, non-executive positions.

Many explanations have been offered for the continued inequality of access for women to executive positions, although the banks strongly state that they implement equal opportunity policies.

At any rate, it appears that a principal part is played in this regard by the banks' increased demands for performance, practically unlimited temporal commitment, mobility, adaptability and flexibility on the part of executives. These demands have a particularly adverse effect on women employees, preventing them in practice from being promoted and from taking on the responsibility of executive jobs.

With regard to level of education, we have noted that over half the banking executives, along with the potentially specialised staff of the future, have the formal qualifications of knowledge and education which would ordinarily permit them to adapt themselves and follow contemporary developments.

Moreover, many banks now require at least a university degree for their managerial positions. This requirement is expected to become more stringent in the future, as a basic precondition for a career in the banking sector.

The distributions by level of education show no fundamental differences between men and women.

However, a significant portion of banking executives (38.3% of the managers, 45.3% of the directors) has no tertiary-level degree. These appear to be executives who have mostly advanced "from within", on the basis of seniority, experience, and possibly the skills and training they were able to receive in the context of their work at the bank.

To retain executives in positions of responsibility, it may be necessary to make serious efforts at retraining or providing alternative employment, depending on the extent to which the business experience and management talents they have acquired will enable them to offset their lack of minimum formal qualifications and basic knowledge that banks require of their executives nowadays.

The renewal of the workforce of managers and directors from the external market stood at 1.2% and 0.3% respectively. This shows that internal advancement within the enterprise itself is the main means of filling top executive positions, and even more of directors' positions.

This is precisely the reason that the vast majority of top executives (78.9%) and also of directors (68.9%) have over 15 years of actual service in the enterprise, compared to 38.9% for all workers. In fact, 45% of top executives and 17% of directors have over 25 years of actual service in the enterprise, compared to just 9% for staff as a whole.

This, coupled with the fact that most top executives are over 45 and most directors are over 35, allows us to conclude that seniority in the company and the experience it entails continue to be main factors and/or conditions for executive advancement in banking enterprises in Greece, through "internal labour market" processes.

Although "rapid careers" and the strong mobility of executives between enterprises have been somewhat common practices in the sector in recent years, particularly following acquisitions and mergers, they do not appear to have been so extensive that they are reflected in the data or have a significant effect on the respective distributions in the sector. This may occur in the near future and it should be carefully monitored by the unions and the enterprises in the sector.

10.4. SCOPE OF WORK, ADVANCEMENT, TRAINING AND CAREER DEVELOPMENT OF EXECUTIVES IN THE BANKING SECTOR

Only 9% of banks report a lack of congruence between job specifications and the actual qualifications of the executives holding the jobs. However, 44% of the unions assess the situation in the same way.

In the expected difference of opinion between the banks and the unions, the opinion of the executives themselves acquires considerable importance: 57% are aware that holders of executive jobs lack the necessary qualifications. Although, due to the small number of participating executives, these findings are of no statistical value with regard to executives in the banking sector as a whole, the qualitative dimension of such findings is still significant.

Also of significance are the percentages of the banks and of the enterprise-level unions who state that they have no clear picture of the situation. For the banks this percentage is 18% and for the unions 19%. The 24% of executives who state that they have no clear picture of the congruence between qualifications and job specifications is considered to be completely justified.

Despite the importance that appears to be attached to internal development – advancement of executives, only 64% of the banks say they implement an executive development policy. The proportion of affirmative answers among the enterprise-level unions is only 25%. The paradox that became apparent from a thorough analysis of the questionnaires is that $\frac{3}{4}$ of the affirmative answers by unions referred to banks that reported that they do not implement such policies.

The field in which executive development policy is implemented, in those banks where it is implemented, appears to be divided between the limited space of the banking enterprise and the group of enterprises to which it belongs.

Is there any systematic evaluation of executives in the Greek banking sector? From the banks' side, 88% of the 11 responding banks answered yes. Only 50% of the 16 responding unions answered in the affirmative.

According to the majority of the responses by both banks and unions, the general criteria of ability and behaviour predominate in evaluation systems. Next in frequency were criteria relating to the achievement of predetermined goals, which were indicated by 36% of the banks and 44% of the unions. The existence of internal indices of economic effectiveness for evaluating executives was noted only in the response of one bank.

The survey also recorded that only 64% of the executives are aware of the existence of evaluation systems in the banks where they work. With regard to their degree of satisfaction, the data show little to no satisfaction on the part of the vast majority of executives. Only 25% of all executives indicate a positive degree of satisfaction with the operation of these specific systems.

With regard to contemporary systems of executive management and development, those most frequently used are, according to the banks' responses, the Career Development Schemes and the Training Needs Diagnosis Schemes. A corresponding number of enterprise-level unions agree that the latter exist. Next, appearing with a lower frequency, are Planned Job Rotation Schemes and Executive Evaluation Centres. It is also worth noting that only a small number of enterprise-level unions are aware of the existence of Executives' High Performance and

International Experience Schemes, since no banks state that they use such schemes.

Six banks (about half the number taking part) and 10 enterprise-level unions state that none of the suggested executive management and development schemes are used in their enterprises.

We could note the following as conclusions of the survey on the very important issue of executive management in the Greek banking system:

- ❖ None of the banks taking part in the survey implemented an integrated system of executive management and development.
- ❖ The most frequently implemented of the schemes we encountered in the findings of the survey were the evaluation schemes, followed by training needs diagnosis schemes.
- ❖ Even in cases where banks implement some of the individual schemes, there seems to be a need for communication and awareness among the enterprise-level unions involved as well as the executives themselves, regarding the operation and of course the goals of these particular schemes. This will bring about an increase in the degree of executive satisfaction and confidence in these systems, which from the indications we obtained, does not appear to be particularly high.
- ❖ The issue of adoption and implementation of executive management schemes

10.5 EXECUTIVES' WORKING TIME

First of all, one result of the survey data is **a notable difference in working hours and working time of top executives and to a lesser extent of directors, compared to the working hours and working time of the rest of the staff.** Such working hours are particularly prejudicial to female employees, as they restrict their access to executive positions.

This “differentiation” in executives’ working hours is not merely one aspect of their place in the hierarchy or an “unavoidable price paid” for the power they wield and any extra benefits they may enjoy.

In present-day conditions it must be evaluated together with more general attempts to throw into question or dispense with, in practice, the working hours not only of certain executives but also of ordinary employees.

When seen from this perspective, the implementation of special or unrestricted working hours for executives in the sector, even by unfairly implementing the criteria and exceptions set by labour law for these categories, constitutes **an important means for casting doubt on and dispensing with existing working hours, and even a “model” for working hour developments for staff as a whole**, something which has perhaps not been understood well enough, or adequately dealt with by the sector’s unions.

The tendency to lengthen executives’ working time over the last few years is also confirmed by our survey data on the banking sector. This practice appears to be of clear benefit to the banks, but of much less benefit to the executives themselves.

The fact that the main reasons put forward for this by both sides are the workload, pressure from the competition and planning and work organisation problems shows that there is significant room for job creation in the executive field, provided that companies improve their planning and stop basing their competitiveness on cost-saving rationales, through practices of indiscriminate work intensification for their executive workforce.

In this framework, issues of executives’ working conditions and work reorganisation, resolution of problems in promptly finding adequate replacement staff (another factor affecting the advancement of young executives), and the search for suitable solutions for reducing executives’ working time are acquiring particular importance, both for the companies and for the unions in the banking sector.

The clear burden put on executives’ working time appears to be an acceptable practice by the banks, insofar as they believe that this burden is offset, as a rule, by extra material or moral benefits. The majority of the unions share this view, but the executives themselves taking part in our survey voice serious objections, although sometimes they are only of indicative value.

As we have already pointed out, tolerance of the “takeover” practices of work intensification and elimination of leisure time for executives opens the way for such practices to become generalised for all staff, who may have more need of the extra, particularly the monetary, benefits.

This may lead to generalised violations, one-sided de facto changes and longer working hours for bank employees, at a time when the sector’s unions are fighting for precisely the opposite!

In saying the above, we should note that executives appear to be virtually divided on the question of whether they are satisfied or dissatisfied with their existing working

hours and leisure time. A similar picture is presented by their attitude towards the company's requirements for "almost unlimited" geographical mobility and temporal availability, an attitude that may reflect a "generation gap" among executives and/or differences in corporate and management culture.

The fact that a significant portion of executives have incorporated into the features of their executive "status" both longer working time and almost total compliance with the demands of the company, while believing that they are not adequately paid in this regard, should be a point of concern particularly for the unions and the enterprises in the sector.

- **First**, because what appears to be executives' increasing compliance with the new "totally flexible" management culture will also have ramifications for their demands for similarly "flexible" behaviour from their subordinates and employees.
- **Second**, because the unions' demand for better monitoring and reduction of working time cannot be effective if they do not take seriously into account the particularities of executives' working time, the rather contradictory attitude of the executives themselves to this issue, and the **peculiar preconditions** (e.g. the existence of replacement staff while retaining the necessary cohesion of the administrative units) **in order to have a real reduction in their working time**, e.g. by implementing 4-day week schemes ($4 \times 9 = 36$), extending their leave, etc.

A particularly important subject, mainly with reference to top executives, is the limits of their exemption from the provisions of labour legislation with regard to working time, leave and overtime, so that there is no room for violations from the employers' side. This subject is among those covered by the legal approach to the concept of executive in the framework of our study.

10.6. BANKING SECTOR EXECUTIVES' PAY IN GREECE.

From a comparison of the data, Greece can be seen to be in last place, as far as wages in the financial intermediation sector are concerned. To be sure, no data are available for Portugal, the country known to have the lowest wages of all the EU countries, in all sectors of production.

In 1999, the countries with the highest gross monthly pay of employed earners, calculated in euros, were Denmark, Luxembourg and Great Britain. The countries with the lowest wages were Finland, Spain and Greece.

Variations between countries are extremely large. Thus, compared to the other EU countries, average gross wages in Greece in 1999 were 52% to 59% lower than in Denmark, Luxembourg and Great Britain, 40% to 45% lower than in Belgium, the

western part of Germany and France, 27% lower than in Finland and the eastern part of Germany and 16% lower than in Spain.

By comparing gross monthly wages in the financial intermediation sector in the countries of the European Union, in Purchasing Power Units (PPUs), we see that the purchasing power of wages in Greece is the lowest in Europe (always with the aforementioned reservation concerning Portugal). Of course, the differences observed between countries are clearly smaller than the differences in wages in euros.

Thus, the purchasing power of wages in Greece in 1999 was around 35-40% less than in Denmark, Luxembourg and Great Britain (whereas the comparable different as a cost was 52%-59%), 20-25% less than in Belgium, Germany and France, 12.% less than in Spain and 1% less than in Finland.

To these findings concerning the purchasing power of wages, we should add the fact that there is a huge gap between the wages of the different specialities of bank executives in Greece.

There is only one source of data on executives' wages in the banking sector, and that is the Compensation and Benefits Survey by KPMG Peat Marwick Kyriacou. The most recent edition of this survey refers to the year 1998 and is based on data from 23 banking enterprises, of which 17 are foreign-owned. Not included in the sample were very large banks, either in the public or the private sector. The trends noted, however, are characteristic because they signal practices and rationales that are beginning to spread to the executive field in the other banks, particularly following the first wave of privatisations, mergers and acquisitions in the banking sector.

A large majority of the banks appear to have a predetermined formal salary policy that allows for decision-making on their executives' pay issues.

In the case of foreign and multinational banks, most of the time the "local" bank executives also take part in forming the rules with which such decisions are taken. Among the goals set by the bank in planning pay policy, the competitiveness of the company is of primary importance.

Most companies provide their executives, apart from wages, with pay in the form of bonuses, with criteria that usually combine individual performance and company profits. Profit-sharing is practiced on a limited scale, but this is not true of stock options.

Evaluation of executives is carried out in 9 out of 10 cases, on the basis of formal procedures and rules, and is used in decision-making with regard to setting pay at levels higher than those of wages.

Banking sector executives also receive other benefits, such as company cars, payment of costs emanating from the use of the executive's private vehicle, loans, mobile telephony services, etc.

The data resulting from the KPMG survey for the year 1998 refer to specific specialities in the banking sector and relate to annual pay (including regular bonuses), variable bonuses and total pay.

Its data show that:

- ten specialities (General Manager, Deputy General Manager, Treasury Head, Shipping Head, Human Resources Head, Corporate Banking Head, Private Banking Head, Operations Head, Risk Control Manager, Retail Head) making up the general category of "top executives" in the banking sector receive much higher pay than the other employees in the sector, pay oscillating between GRD25 and 60 million annually.
- Variable bonuses are high in precisely those specialities receiving the highest wages, i.e. "top executives". However, there are certain jobs not among the ten best-paid specialities that are paid particularly high bonuses, such as Treasury Sales Manager and Chief Dealer.
- Thus, whereas on the basis of wages, the ten aforementioned specialities stand out as the best paid, on the basis of total pay (wages + bonuses) 15 specialities stand out (General Manager, Deputy General Manager, Treasury Head, Shipping Head, Human Resources Head, Corporate Banking Head, Private Banking Head, Operations Head, Risk Control Manager, Retail Head, Treasury Sales Manager, Chief Dealer, MIS Manager, Chief Trader, Account Officer III), with total annual pay exceeding GRD 20 million.
- The overall picture of pay exhibits an extremely wide pay gap both among executives and between executives and ordinary employees.

A different picture resulted from our survey among participating banks which reflect prevailing (and traditional) pay practices in the sector. For example, when asked about the composition of executives' total annual pay, the banks said that basic pay and pay supplements provided for in the sectoral collective agreement make up approximately 61% of executives' pay, individual pay supplements 6%, additional regular emoluments 18% and additional extra emoluments 15%. There were no

important differences between the answer we received from the banks and those we received from the unions.

The same is true with regard to the picture that takes shape on the basis of the responses from the banks and the enterprise-level unions regarding the level at which executives' pay is set. Most of the responses, from both of the survey's sources, indicate the sectoral collective agreements and the respective business agreements as the main means of setting executives' pay.

With regard to provision of additional incentives to executives in the banking sector, the responses of the banks and unions revealed the following:

- A significant percentage (27% of the banks' and 30% of the unions) mentioned stock options granted to executives.
- Special promotions or placements in positions of responsibility appear to be just as frequent.
- Profit-sharing in the company and various benefits in kind (including cars, cards, mobile phones, loans, etc.) are mentioned less frequently.
- Finally, the smallest proportion (in effect one response from a bank and one from a union) referred to extra days of leave granted to executives. This may be appreciated if account is taken of the fact that overall working time (on a daily and annual basis) among executives has risen, and thus such a benefit may not be of any real value.

Finally, the degree of satisfaction of the executives themselves, as recorded at the special workshop, shows that the majority of executives are not satisfied either with their regular emoluments or with the special benefits/incentives granted to executives.

This, coupled with a certain "dualism" of pay criteria and practices for executives, among the (mainly foreign and small private) banks, recorded by the KPMG survey, as well as certain new groups of companies being created in the wake of the mergers and acquisitions in the sector on the one hand, and the big state-owned, partially state-owned and private banks which for the most part took part in our survey on the other, shows that there will be no major changes with regard to this issue in the near future.

The foregoing finding, coupled with the low satisfaction among executives with the "traditional" schemes implemented to date, should be a consideration for the unions in particular, because it can be a starting point for imposing individualised and non-

transparent executive pay schemes, beyond and outside the limits and pay schemes set to date by collective bargaining on the sectoral and enterprise levels.

The fact that the existing sectoral payscale is unable to cover specific executive specialities, as it does in other countries, transfers the burden of bargaining to the enterprise level. However, it will be more difficult to address the differences in their regular pay by job/speciality which the market is tending to impose in all areas by interfering with executives' individual pay supplements.

10.7. CHANGES AND RESTRUCTURING IN THE BANKING SECTOR: EXECUTIVES' ROLE AND PROBLEMS

As the banks' responses show, the main challenges executives are called on to meet involve competition, meeting objectives, mergers – restructuring, as well as the modernisation both of management functions and of the procedures for executives' promotion, evaluation and pay, oriented towards achieving greater professionalism, motivation and flexibility.

The answers of the enterprise-level unions to this question do not appear to be substantially different. This indicates that both sides have taken up and probably comprehend in practically the same way the basic challenges for executives in the sector over the next three years, which promise to be a period of profound changes, if not reversals, for both sides in the Greek banking scene and in management practices.

B) The desirable profile for an executive in the banking sector, in the opinion of both sides, would necessarily include:

- flexibility – adaptability to the new requirements.
- achievement of results (even at the expense of communications and human relations), as well as
- high leadership abilities, because executives should be able to persuade and inspire their subordinates, rather than exert their authority on the basis of discipline and their position in the hierarchy.

As we will see further on, the aforementioned choices appear to be relatively consistent with the choices of the two sides regarding the most appropriate management model in the new conditions of competition.

C) The vast majority (85%) of the banks are very satisfied or somewhat satisfied with their top executives' ability to adapt to the new requirements. Only 8% of the banks believe that their top executives have little ability to adapt to the new conditions.

Although those on the side of labour (enterprise-level unions), appear for the most part (63%) to share the opinion of the banks, they seem more cautious: they choose the degree "somewhat" more often and 31% believe that executives have little ability to adapt.

With regard to directors, who as middle executives are closer to and quite often members of the enterprise unions, the difference in the two sides' responses is more noticeable.

Whereas the banks appear, for the most part (61%), to be very or somewhat satisfied with their existing management structures and hierarchy, only 38% of the unions believe them to be "somewhat appropriate", and most (57%) believe them to be inappropriate or only slightly appropriate.

From the aforementioned we can see that the banks believe they have already gone far enough in adapting their management structures and hierarchies in the desirable direction.

The unions either fail to share this view, or apply pressure in a different direction and with a different rationale of adaptation to the new conditions of competition.

E) From this point of view, the reasons cited by each side for supporting the appropriateness or inappropriateness of the existing structures and hierarchy in its area are also of interest.

The banks that say they are satisfied mention the following as being "their strong points":

- the high specialisation of their organisational structures in relation to the market,
- problem-free give-and-take of suggestions and ideas,
- well-developed horizontal management,
- organised distribution of competencies,
- guaranteed clear messages and guidelines,
- addressing the complexity of present-day banking reality,
- banking experience and specialisation,
- retraining for new jobs and new products,
- adequate adaptation to the new requirements,
- reorganisation and application of new organisational formats, e.g. business units,
- division of competencies, cooperation and mutual assistance among executives.

- Banks that admit to problems in this regard indicate the following as being among their “weak points”:
- the need to make comparisons with the management levels and hierarchy in related banks,
- adherence to tradition and bureaucracy,
- the lack of flexibility as a result of being part of the broader public sector and operating outside the conditions of competition,
- inadequate communication with the workforce,
- the need for decentralisation in assigning responsibilities.

The (very few) unions that say they are relatively satisfied with the appropriateness of management structures and hierarchy in the bank cite the following as main reasons:

- reorganisation of the bank and implementation of new organisational formats,
- perfect knowledge of the subject,
- good communication with subordinates,
- good cooperation with bank management,
- continuing retraining and executives’ desire to acquire knowledge,
- the fact that executives have the necessary real and formal qualifications.

By contrast, the majority of the unions that doubt whether the existing administrative structures and levels of hierarchy are appropriate cite the following:

- centralisation
- failure to renew the executive workforce,
- the outdated system of executive advancement,
- a lack of scientific training, incentives and desire to work,
- vague organisational chart,
- no cohesion and no intermediate levels, resulting in difficulty of interconnecting with management,
- lack of planning and training,
- lack of meritocracy,
- the gap between appearance and reality on this issue,
- lack of adequate technical support for executives,
- lack of clear planning,
- too many levels of hierarchy,
- lack of hierarchy and knowledge of each executives role and duties,
- interference by third parties and lack of meritocracy,
- failure to operate according to business criteria,
- bureaucracy and time-consuming decision-making,
- overlapping of competencies.

It is clear that both the positive and negative points cited by each side correspond to real workplace experiences in the sector and must be taken into account, either as “good practices” or as “bad practices” for a more detailed and comprehensive evaluation of this question in the future.

F) With regard to the most appropriate management model in the new conditions, **most banks (46%) select the decentralised-participatory model and to a lesser degree the collective-consultative model (38%)**. Fifteen per cent cite another model (usually an individual technical application), but none stated that it supported the traditional centralised-hierarchical model.

The enterprise-level unions appear to be more cautious than the banks on the question of whether the decentralised and participatory management models are appropriate in present-day conditions. Most of them (56%) selected the collective-consultative model, and the next largest proportion (44%) selected the decentralised-participatory model. Like the banks, none of the unions now supports the traditional centralised-hierarchical management model, which predominated for many years, mainly in the sector’s banks that were state-owned or partly state-owned.

The unions’ cautious stance towards the decentralised and participatory management processes may reflect the attempt by the management of some banks to link such changes with upsets in labour relations (decentralisation of competencies, lack of control – arbitrariness on the part of executives, flexibility of terms of pay and employment), with worker “participation” on an individual basis and/or attempts by employers to selectively guide the unions.

It may also reflect some unions’ distrust of the banks’ real intentions, as well as their distrust of the skills and mentality of the existing executive workforce in supporting a really participatory management model. We will now examine this question.

With regard to the ability/suitability of top executives to support the desired management model, the banks appear to consider their top executives more “ready” than directors to implement the desired management models. If indeed we consider the fact that the banks appear to support more decentralised – participatory models (in which a great burden of responsibility falls on the directors), it is reasonable to wonder how suitably trained and ready to implement them these middle executives are.

At any rate, the enterprise-level unions appear to have more faith in the abilities of middle executives (many of whom will be tomorrow’s top executives and will therefore introduce new concepts and knowledge into processes and management

practices), than of top executives; the unions also appear to have much more faith in them than do the banks.

The executives who responded appear to support the decentralised – participatory model to a much greater degree than the banks (46%) and even more than the enterprise-level unions (44%). The reason may be not only that they directly experience the problems and ups and downs of traditional management practices, where they still exist, but also that the participatory model appears to provide them, along with decentralisation of competencies, with more opportunities to get ahead and take initiatives.

G) Mergers and acquisitions (M&As) now taking place, not to mention any new ones in the offing, exert a significant influence on the role and the conditions for shaping labour relations of staff and executives in the sector, now and in the near future.

That is why there is an urgent need to develop interdisciplinary research and in-depth examination of these questions. In addition, the appropriate dialogue must be developed between the unions, the employers, the experts and the state, in order to seek the appropriate collective regulations, institutional initiatives and practices, so that:

- M&As do not become a source of successive adverse changes for employees and executives. In particular:
- They should not introduce discrimination in promotions, financial incentives or the advancement and utilisation of executives on the basis of their company of origin.
- Through the necessary dialogue, they should ensure the smooth convergence of rights and regulations, so as to achieve transparency and equal treatment for the whole workforce employed by the unified company. In other words, the proper integration and co-existence of different work units and rights, in a labour, pay and management format which is as unified and functional as possible.
- In cases of takeover, absorption or merger, the buyer's operation as well as his social plan should be made available to the interested parties.

More specifically, the buyer should:

- state his intentions with regard to employment, the way any surplus staff and executives are to be absorbed, the career opportunities and scope for utilising existing executives in the unified company,

- specify the means by which he intends to unify the various labour and insurance regimes in a single, generally acceptable whole.
- ensure the participation of all the interested parties in mapping out the new Works Rules, and shaping the new management principles and systems of the unified company.
- the sectoral institutions of collective regulation, social dialogue, employment protection and provision of insurance coverage on a unified basis should either be created or strengthened where they already exist.

It is clear that the initiative and responsibility for such operations do not belong solely to the enterprise- and sectoral-level unions.

The banking executives themselves must also become aware of their crucial, pivotal role in the coming changes.

They must realise that they are only temporarily the winners in the race to constantly adapt and compete as individuals, in which the companies are forcing them to run by brandishing the objectives, the dangers and the requirements of competition.

Today more than ever, in the face of such a large number of problems and challenges, of which we have outlined only a few here, the executives' part of the sector is being called upon to become the motive force and the basis for the coming changes.

To a large extent, the future of employment and labour relations in the banking sector will depend upon the quality and rallying power of the executives and upon their alliance with the sector's employees.

For in the course of important events in which we are living, the risk thresholds for executives and ordinary employees are becoming harder and harder to distinguish, more and more fluid.

An examination of the problems and effects of the M&As taking place in the banking sector is enough to show that many if not all are of equal interest both to the sector's executives and to its ordinary employees.

That is why, to return to the relevant question in the survey, the biggest challenge for banking sector executives in the coming three years may be precisely this: to rise to the occasion, without losing their solidarity with the employees, their collectivity, their values and their humanity!

10.8. EXECUTIVES AND THE UNIONS

Inasmuch as the model for executives' organisation in trade unions that prevails in this country and in the banking sector is not conducive to executive membership in trade union organisations separate from those of the sector's other employed earners, it is reasonable that **there is no separate trade union organisation in the banking sector addressed especially to executives**. Executives join the existing trade union organisations for staff, unless they belong to those special categories of "managerial staff" (see below) which the law does not provide for in this instance.

However, judging from the issues highlighted in the preceding units of this survey and from assessments by the two sides and the executives of the feasibility and effectiveness of union membership and participation by the executives in the sector, it is obvious that unions need to make special efforts to approach executives. This should no longer be in the form of doing occasional favours to isolated executives who are union members on an individual, case-by-case, if not clientelistic basis, but rather:

- by setting up and operating special divisions/secretariats within the existing primary and secondary unions, to systematically monitor, study and achieve a really collective solution to executives' problems,
- By stepping up efforts for executives to join and effectively participate in the unions, by systematically making sure that there are demands and collective regulations to meet their specific needs on issues such as working hours, pay, mobility, training, etc.
- By eliminating the serious disincentives to executives' organising in trade unions (available time, objective effects on career, access to extra pay, etc.) through suitable action by the unions involving the relevant systems of evaluation, promotion, executive advancement, pay, etc.
- By continuing to do research, in the sector and in every workplace, on the terms and conditions of pay and employment and the special part played by executives, to enable the unions to put forward credible, documented demands with regard to these issues
- By systematically taking action to eliminate the real – and serious – disincentives to equal advancement of executives, which, as we have found, present serious problems for female bank employees, with regard to working hours and conditions of mobility at the very least

- Finally, by changing their attitude towards executives. Reasoning such as “they don’t need our help, they can work it out with the employer” or “they are better paid and at any rate their interests are different from ours” literally “hand over” to the employers’ side a whole group of employees who, as we saw earlier on, have a pivotal role to play in present and future changes. As a group, executives have many common problems and are of importance for the successful outcome of the demands of the sector’s employees as a whole.

10.9. THE LEGAL REGIME OF BANKING SECTOR EXECUTIVES’ EMPLOYMENT RELATIONSHIPS

Greek labour law does not make provision for a special labour regime for company executives. Executives in all kinds of companies are employed in positions of subordination and are subject to labour legislation with regard to all their rights.

From the standpoint of labour law, executives are divided on the basis of their job tasks into two categories:

a) ***executives with special duties, who are employees with regard to all their rights and obligations.*** Executives are employees with experience and/or outstanding qualifications who perform skilled, responsible duties.

b) ***top executives, who are not employees with regard to all their rights and obligations.***

Managerial staff – top executives are employees who perform employers’ duties and take key initiatives in mapping out and planning corporate policy; they are linked to the employer by a relationship of high confidentiality.

The ***status of managerial employee – top executive differs from that of executive*** because of its direct, institutional relationship with the employer’s will. Thus the title of managerial employee – top executive or the job title is not enough.

The legal characterisation of managerial employee results from the overall evaluation of a large amount of objective data (position of responsibility with initiative in mapping out and implementing corporate policy, outstanding qualifications, performance of employer’s duties, relationship of confidentiality with the employer, high level of pay exceeding that of their subordinates, etc.).

Taken as a whole, these data are comparable to those of the company’s other employees and the company’s management bodies. The positions of legal theory and case law put forward a restrictive interpretation of the concept of managerial

employee, thus ensuring implementation of labour legislation regarding working time limits for all workers regardless of their level of pay or their job responsibility.

Managerial staff are de facto few in number. An increased number of executives in a company usually means an internal restructuring of the company, with an increase in the number of workers in responsible and specialised jobs; rarely does it mean decentralisation of key company competencies with an increase in managerial staff.

By the same token, a reduction in the number of executives may mean not that companies are shrinking but that they are re-evaluating the structure of the hierarchy and redefining or reducing the number of positions of responsibility which have become obsolescent or whose content has been externalised. At any rate, it should be clear that not all employees with experience and outstanding qualifications are executives with special duties, nor is everyone an executive who bears the title but has low formal qualifications and occupies a position that is not key to company management.

Labour law reserves special legal treatment only for managerial staff – top executives.

In particular, with regard to the consequences of the status of executive, the following may be observed:

1) working time limits

Labour law is applied indiscriminately to all executives, with the exception of top executives – managerial staff, who are not subject to legal protection of working time limits and the relevant labour rights (extra pay for overtime exceeding maximum working hours and work performed at night, on Sundays, on public holidays, during weekly rest periods, annual leave, etc.).

2) membership in a trade union organisation

Executives, with the exception of top executives – managerial staff, have the right to join trade union organisations of all types and organisational levels, in accordance with the terms and conditions laid down in the statutes of the trade union organisations.

Top executives are necessarily excluded from the enterprise-level trade union organisations, because their duties include employers' duties, and thus their membership would disrupt the independence of the trade union movement from employer intervention.

Therefore holding a position entailing employer duties should be addressed in the statutes of the trade union organisation and should constitute a basis for expulsion or temporary suspension of membership. In any case, top executives – managerial staff have the right to join trade union organisations solely for top executives. In practice it is difficult to create such trade union organisations, and no trade union organisations for executives or top executives have been noted in the banking sector.

3) *subjection to collective labour agreements*

Collective labour agreements, especially at enterprise level, and works rules may regulate the employment relationships of all employees of a company, including top executives.

Collective agreements may also help clarify the concept and the labour rights of managerial staff by creating special regulations on matters of interest to other executives, such as the terms and conditions for acquiring the status of executive or top executive as a result of advancement within the company and the financial consequences of revoking responsible duties, e.g. compensation for premature revocation of responsible duties, or the successful completion of the period for which they were assigned.

Key issues regarding the labour relations of managerial staff as well as executives are safety at work, advancement within the company and regulation of working time.

One of the main problems is the lack of a clear distinction between top executives and other executives in positions of responsibility. Confusion in this regard has the following consequences:

- deregulation of working time and dissociation of pay (regular emoluments) from the length of the working day and the working week, with further confusion regarding the right to be paid for overtime exceeding maximum working hours and the right to weekly and annual rest periods.
- deregulation of the conditions for advancement within the company by leaving the employer free to choose which people will be assigned responsible duties.
- lack of transparency in assigning and revoking responsible duties. This helps preserve indirect discrimination against women, who occupy a small number of jobs despite the relatively equal distribution of the two sexes in the internal labour market from the point of view of real qualifications.

- *laxity of legal protection of workers from adverse changes in terms and conditions of employment* due to revocation of responsible duties.

These elements are extremely apparent in labour relations in the banking sector, and are being taken forward in the new works rules compiled after the mid-'90s.

With regard to regulation of top executives' labour relations, it should be noted that *their working time* was the only issue that not included in the regulatory intervention of labour law. However, Presidential Decree 88/1999 lays down regulations aimed at protecting health and safety at work, which also apply to top executives. The need to regulate such matters affects top executives and all other executives not working fixed hours.

Regulation of working time is key to ensuring access to such jobs for women, since motherhood and parental duties have become indirect, invisible criteria for the exclusion of women in general, not just young women of reproductive age and married or single or mothers.

Working time conforms to the current male-dominated model, where vital daytime hours are devoted solely to work. The ideal executive is an employee who devotes all his/her time to work, totally and with total flexibility.

Evaluation criteria for employees are influenced by confusion between private time and time spent on the job and thus, for example, a dedicated employee is one who seeks constant information and training with regard to internal issues and develops broad social action which promotes the occupational prestige of the employee and the interests of the company.

Extreme flexibility of working time puts pressure on all employees, men and women alike, to adapt their lives to the ***model of an executive in the new economy***. Thus the ideal executive is ***a neuter professional, above family relationships and concerns, invulnerable to competitive processes of advancement in the company and constantly amenable to changes in his/her working, social and personal life***.

This social model produces indirect discrimination against women and introduces the desocialisation of professional life, which affects men and women to an equal degree.

The *dehumanisation of executives' terms and conditions of employment and the reconcilement of personal and professional life* are now elements influencing regulation of working time alongside the principles of protecting workers' health from *fatigue* and *occupational stress*. *Protection of workers' health and the principle of*

equal opportunities must serve to eliminate indirect discrimination against women or other social groups, e.g. parents of both sexes, people over the age of 45, especially men, who are at high risk for heart disease. These principles must be implemented in the procedures for filling both top executive positions and executive positions of responsibility.

Regulation of working time can be included in works rules, collective agreements or working hours rules, which will also include a definition of the concept of executive in a position of responsibility as opposed to top executive.

One reason top executives should be exempted from the Works Rules is that such employees are unable legally to join the representative union at enterprise level. However, the regulations for filling top executive positions through advancement within the company may be included in the Works Rules, with regulations regarding the beginning and end of assignment of managerial duties.

Therefore an important issue is the understanding and regulation of executives' employment relationships with the distinctive features we mentioned above in the scope of enterprise-level collective agreements and Works Rules in the legal form of enterprise-level collective agreements.

Regulation of executives' employment relationships will have an indirect impact on and improve the terms of the individual employment contracts of top executives – managerial staff, since the terms of the latter's individual contracts should be superior to the terms and conditions of employment of the executives who are their subordinates.

10.10 CONCLUSION

The survey presented here is the first of its kind in Greece and in our sector, and many of the subjects examined here are unprecedented even on the European and/or international level, as far as executives at least are concerned.

It is only natural, therefore, that our findings should not be the end result but the starting point for a whole range of considerations and fresh investigations of banking sector executives' terms and conditions of pay and employment.

We believe the approach we have attempted to make here, on multiple levels and covering a broad range of topics, can act as an important stimulus to:

- continue the research and in-depth examination of the initial findings, possibly with the participation of a wider sample of banks, unions and mainly banking sector executives

- carry out more systematic international comparisons, collaborations and exchanges of experiences on this subject
- finally, and perhaps most importantly from the viewpoint of the sector's trade union movement, investigate its means of intervention and necessary alliances with executives, affording them not only the collective protection which is a necessity nowadays, but also systematic attention and viable solutions to their complex problems.

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