

Chapter 5 : Banking sector executives' working

5.1. Executives' working time. International experiences

Executives' working time is an issue which has been addressed somewhat extensively in the international literature and by the relevant executives' organisations in other countries¹. The Greek literature, however, has not specifically dealt with the subject (apart from some legal and case-law issues regarding executives, which we will analyse in Chapter 9 of this study), nor has it been addressed by the Greek employees' trade union organisations. In the banking sector there have been some exceptions and references by the unions to this subject, mainly emanating from the OTOE's demands to reduce the working week to 35 hours. We will refer to these questions further on.

In the international literature on executives' working time, the prevailing practice of excluding them from policies for regulation and monitoring, not to mention reduction of working time, from payment for overtime exceeding maximum working hours, and the prevailing tendency for them to work much longer hours than employees not in executive positions have been noted with particular concern by their relevant occupation-based unions.

Thus, in Europe it is estimated that on average male executives work 13% longer hours than male employees. The difference is even greater for women, because female employees' averages are lower, since significant proportions work part-time, a practice which is not particularly widespread or acceptable among executives.

The average extra time worked by executives compared to ordinary employees are (for all sectors) 8.5 hours per week in Denmark, but only +5% in Italy, Austria and Greece. The European average extra time worked is +3.9 hours per week for full-time male employees and +3.8 hours per week for female employees. Greece shows +1.9 extra hours per week for male executives and +3.5 hours for female executives².

The bigger difference in extra hours worked by female executives in this country may be due in part to the fact that they are less able to avail themselves of the special shorter working days provided for mothers in most sectors of the economy including the banking sector. As already noted in Chapter 3, this constitutes a serious

¹ For more on this issue see MERMET E. "Les cadres en Europe", Eurocadres, Octobre 2000. Επίσης BOULIN J-Y, PLASMAN R. « Professional and managerial Staff: working time and workload », EUROCADRES, symposium, December 1997.

² According to the studies referred to in footnote 1.

impediment to a really equal advancement of women to executive positions in the banking sector.

One could take serious exception to the reliability of the data regarding executives' working days and weeks, as presented above. In the banking sector, for example, the times executives arrive at and leave work are not checked with the same precision (by punching a card) that they are for other employees. In most cases, executives merely sign a list of those present, whereas a significant proportion (usually at the company's discretion, which is not always in accordance with the legal criteria) is considered to be exempt from the law as far as working hours, leave, overtime, etc. are concerned.

In any case, **the tendency for executives to work longer hours has been noted internationally** and appears to be associated:

- with economising on human resources,
- with the adoption of systems of evaluation and rewards based on targets met (and not based on the length of time an executive has been with the company), as well as
- with the – unfortunately fixed, in most countries – idea that *“executives should be constantly present and available, and the more time they appear to devote to the company, the better it is for their careers.”*

This idea must be considered to be wrong, insofar as **the length of time an executive remains at the office or how often he takes part in alternating and usually interminable or spur-of-the-moment meetings may have little to do with his abilities, the real productive outcome and the overall value of his contribution to the company!**

Since, as we have seen, executives are an important part of staff in the banking sector, the foregoing give rise to serious questions with regard to:

- the possibility of regulating and monitoring working time (the working day, week, year) of executives by law, collective agreements and the competent state bodies or social partner organisations.
- the organisation of executives' working time in present-day conditions where the banks are demanding of executives practically unlimited availability, flexibility and constant presence in their executive positions

- a reduction of working time (and especially the possibility of including executives in 35-hour week, as the unions are demanding),
- Reconciling work and private life, a problem that is proving to be even more serious for female executives, with the consequences already outlined in Chapter 3.

5.2. Basic trends and practices in the banking sector.

Working hours in the banking sector were laid down in the sectoral collective agreement between the OTOE and the banks in 1984, which was ratified by law. It determines both bank employees' working hours, and daily branch opening hours.

According to the provisions of this agreement, **the normal working day of bank employees** (and of executives not in executive posts so important and confidential that they are exempted by law from this regulation)³, is a continuous working day of **7 hours and 45 minutes** Monday through Thursday (beginning at 7:45am and ending at 3:30pm) and **7 hours and 15 minutes** on Friday (beginning at 7:45am and ending at 3:00pm).

The **normal working week** is a five-day week of **38 hours and 20 minutes**, from Monday to Friday.

In special services and in a limited number of cases, usually by informal agreement or with the consent of the enterprise-level unions, provision is made for special working hours. They are either organised on the basis of special incentives and are conditional on employee consent (e.g. shorter working hours and shift working at the Computer Centres), or are covered by overtime or other special agreements (exchanges, money dispatches, emergency staff, etc).

With regard to **annual working time**, executives, like all other workers in the sector, are usually entitled to **annual holidays** and the relevant rights provided for by law and bank employees' sectoral collective agreements, including **annual paid leave**, etc.⁴ In practice, many bank employees, most of them executives, complain that they

³ This question is examined in more detail in Chapter 9, which deals with the legal dimensions of the concept of executive in the banking sector and data from the relevant case law.

⁴ Law 539/45, Law 1346/83, National General Collective Agreement and Collective Agreement between the OTOE and the banks, 1989, 1996. Paid leave includes parental leave, maternity leave covering pregnancy and confinement, marriage leave, time off to monitor children's progress in school, leave due to unhealthy work, training leave, sick leave, shorter working day for mothers of young children, etc.

are unable to avail themselves of these rights, due to the workload in their department and/or because no suitable and adequate arrangements have been made for replacement staff.

One indication of this is the frequent circulars sent out by certain banks urging their staff and executive workforce to make timely use of leave left over from previous years, so that the banks are not forced to incur the consequences of the law.

In many cases, there have been internal regulations providing for payment in lieu of leftover leave for employees and executives, because it was impossible in practice for them to be absent from their jobs for long periods. Other executives have been considered (sometimes unfairly) to be exempted from the relevant provisions of labour law and collective agreements, and thus have not availed themselves of part or all of the leave to which they were entitled.

The sectoral trade union organisation (OTOE) addressed executives' working time as part of the demand for reduction of the working week to 35 hours.

In the material prepared by experts from the Greek Banks' Association and the OTOE on the conditions and cost of implementing the 35-hour week in the banking sector and the pilot implementation of the 35-hour week in the banks, many special problems were identified with regard to the possibility of actually reducing the working time of banking sector executives.

In fact, often based on the opinion of top executives themselves, alternative conditions for ensuring any reductions (e.g. a four-day week for executives with suitable replacement staff for the fifth working day, extra leave especially for executives, etc.) have been sought for.⁵

5.3. Basic questions of this survey

It is true that an initial examination of the subject of "executives' working time", like the one we have attempted to make in this survey, is unable to adequately cover all the open questions this subject involves.

⁵ In this regard, see "Reduction of Working Time – Studies on the Implementation of the 35-hour Week in the Banking Sector", INE/OTOE, Athens 1998, as well as the studies carried out by the companies HAY and ICAP, giving a detailed evaluation of the eight-month pilot implementation of the 35-hour week (with longer banking hours in selected branches) in the banking sector in Greece.

Thus we have selected for examination, from the responses from the banks and the unions, and from the opinions of the executives themselves who took part in the relevant workshop, certain basic aspects of the matter, and specifically the following:

- How similar or different are the working hours implemented for executives (top executives – directors) to those of other employees?
- To what extent have executives tended to work longer or shorter hours in recent years?
- If they have worked longer hours, what effect has this had on the company and the executives?
- If they have worked longer hours, to what is this due and to what extent is it offset by additional benefits for executives?
- How satisfied are executives with their working hours and, similarly, with the leisure time available to them?
- To what extent do executives believe they need to provide their services wherever and whenever required by the company (subordination to company demands for a practically unlimited geographical and temporal availability on the part of the executive)?

We will now briefly present the basic findings of the survey on each of the aforementioned points, in order to reach some basic conclusions and/or questions to be examined further in the future.

5.4. Basic findings of the survey.

5.4.1. Similarities and differences in executives' total actual working time compared to that of other staff

Diagram 5.1. shows the basic findings, based on the responses of the banks and the enterprise-level unions to the question regarding top executives' working time.

According to these findings, the vast majority of banks admit that the working hours of their top executives (i.e. of over 7% of the workforce in the sector, as we saw in Chapter 3) are either longer than those of the other staff (46% of the responses) or (38% of the responses) working hours do not apply in these cases! The executives themselves appear to share this opinion: 32% answered that their working hours are significantly longer than those of other staff, and 44% said no working hours apply. Only 12% of the executives (compared to 8% of the banks) believe that the same

working hours apply to top executives and 12% (compared to 8% of the banks) believe that top executives' working hours are marginally longer.

The unions appear relatively more “complacent” with regard to this matter, since, in contrast to the banks and the executives who took part in the survey, 27% believed that top executives' working hours are “in the framework of the working hours applying to everyone” and 20% believed that they are “marginally longer”. To be sure, the majority (54% of the unions, compared to 84% of the banks) are aware of significant differences in the working hours that apply to top executives. In particular, 27% of the enterprise-level unions believe that top executives' working hours are significantly longer than those of other staff, and another 27% believe that no working hours apply in such cases.

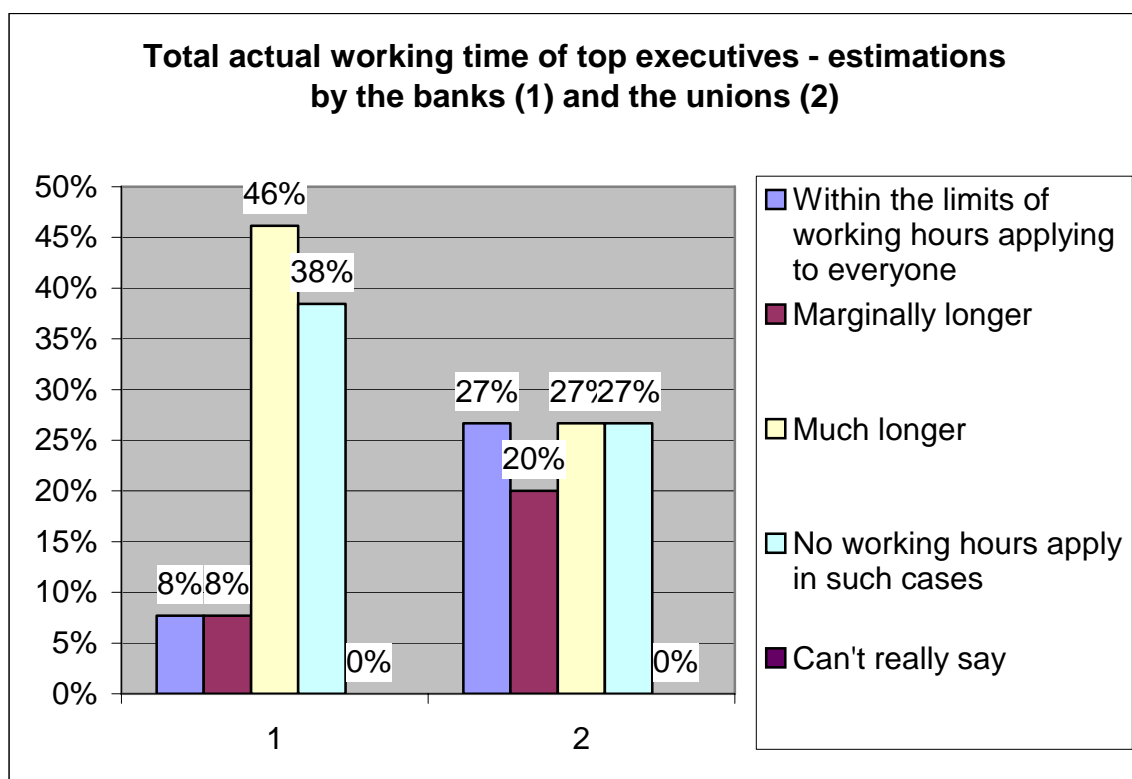


Diagram 5.1

Working hours of other executives, i.e. directors, appear to deviate less often from the working hours of the rest of the staff than top executives' working hours, as can be seen in **Diagram 5.2**.

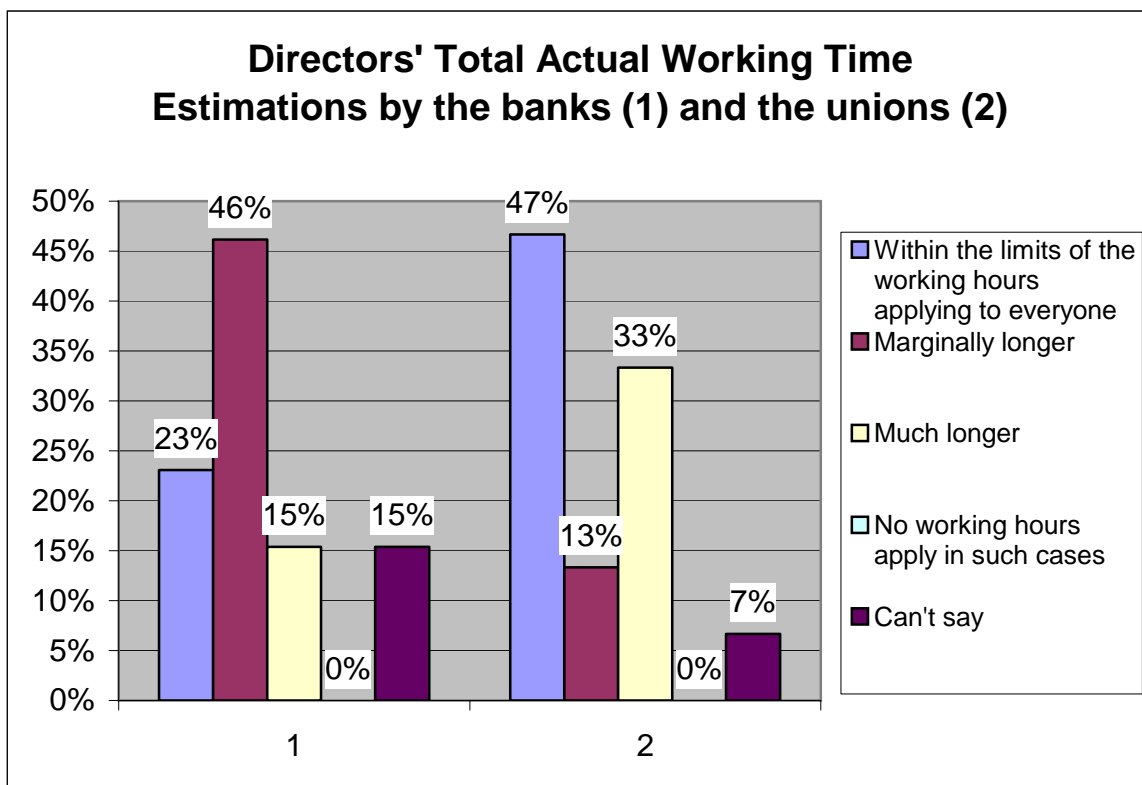


Diagram 5.2

In particular, 23% of the banks' responses state that directors have the same working hours as everyone else (an opinion shared by 47% of the unions, but by only 12% of the executives taking part in the survey).

Again in the banks' view, 46% answered that directors' working hours are marginally longer than those of other staff (an estimation share by 13% of the unions and 48% of the executives). Only 15% of the banks said directors' working hours appeared to be much longer than those of other staff; the unions' responses differ significantly: 33% believe that they are much longer, as do 32% of the executives.

In contrast with the top executives, no one believes that directors are generally exempt from working hours (0% of the responses of all categories of respondents). This may well be associated with the interpretations prevailing in the sector of which executives are subject and which are not subject to exemption from the working hours for higher and top-level executives provided for by labour law.

In any case, if we compare the responses for both categories of executives, **the problem of whether the working hours are different or not appears to be, as could be expected, more serious for the banks' top executives**, according to the

answers of the banks and the executives themselves, and to a lesser degree according to the answers of the unions.

In the case of different working hours for directors (who represent, as we have seen, 20% of the workforce in the sector), **it is the unions that show, together with the executives themselves, the greatest sensitivity to the problem**, possibly because they are more direct witnesses or because they hear such information and/or complaints from their director members.

The picture given above is in fact part of a more general tendency which has been noted in the banking sector in recent years. It is a tendency to cast doubt on or rescind in practice, through open violations or failure to pay for overtime worked, the working time not only of certain executives but also of ordinary employees.

This is a frequent practice in some banks at least, and constitutes an indirect but serious means of pressure from the employers to force the sector's trade union movement to agree to drastic changes in working hours for all banking staff, oriented towards flexibility and working time arrangements, possibly in exchange for certain reductions in the total weekly or annual working time.

The implementation of special or unrestricted working hours for executives in the banking sector, in violation of the criteria and exceptions set for these categories by labour law, constitutes another means for questioning and dispensing with existing working hours, and even constitutes a "model" for working hour developments for staff as a whole, something which the unions in the sector may not understand well enough.

5.4.2. Development of executives' total working time in recent years.

The responses from the banks and the unions are illustrated in Diagram 5.3.

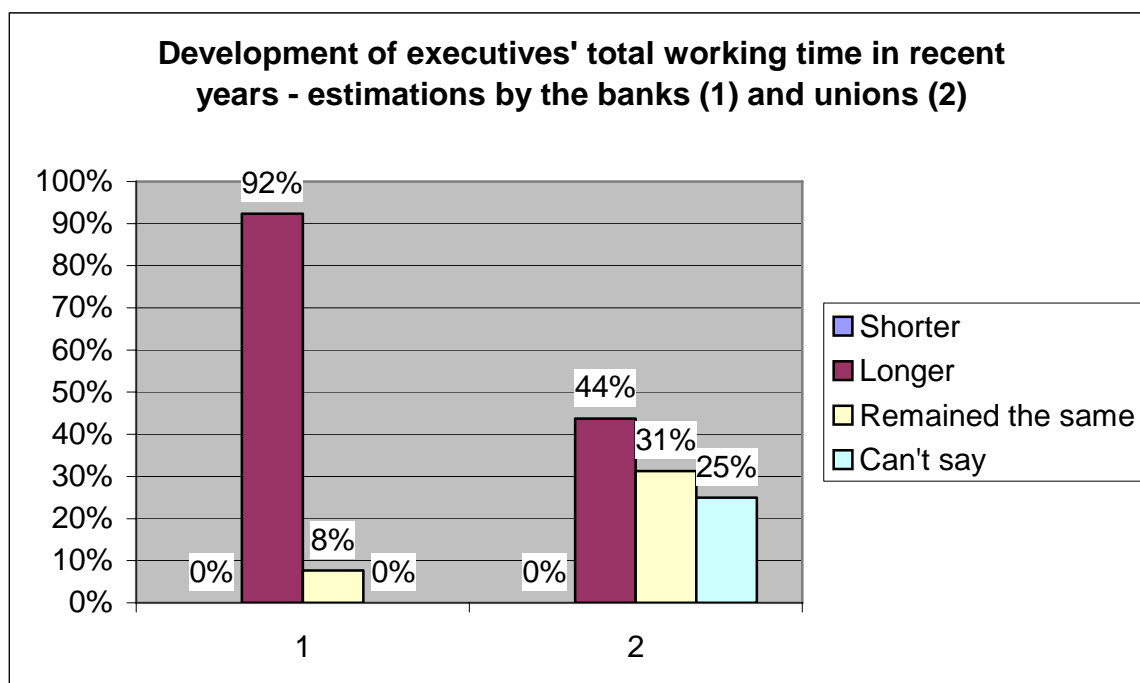


Diagram 5.3

The vast majority (92%) of the banks admitted that in recent years there has been a clear tendency for executives to work longer hours, and this view is shared by 88% of the executives taking part in the survey.

The answers given by the unions on this issue give rise to questions, as 44% state that working time has become longer, 25% cannot form a clear picture of the situation and the other 31% believe executives' working time has remained unchanged. These responses may mean:

- either that a significant part of the sector's unions have not become aware or have not kept abreast of the problem, and have no clear picture of this issue,
- or that the unions have always believed that executives' working time was too long, and therefore it has not changed substantially in recent years. How, this is not confirmed by their answers to our previous question (difference between executives' working time and that of other staff).

5.4.3. Effects of longer hours worked by executives on the company and on the executives themselves

We asked the banks and the unions that had noted a tendency for banking sector executives to work longer in recent years to estimate whether that has had positive overall effects or not, for the company on the one hand and for the executives themselves on the other.

The estimations by the banks and by the unions are shown in the following Diagrams 5.4 and 5.5 respectively.

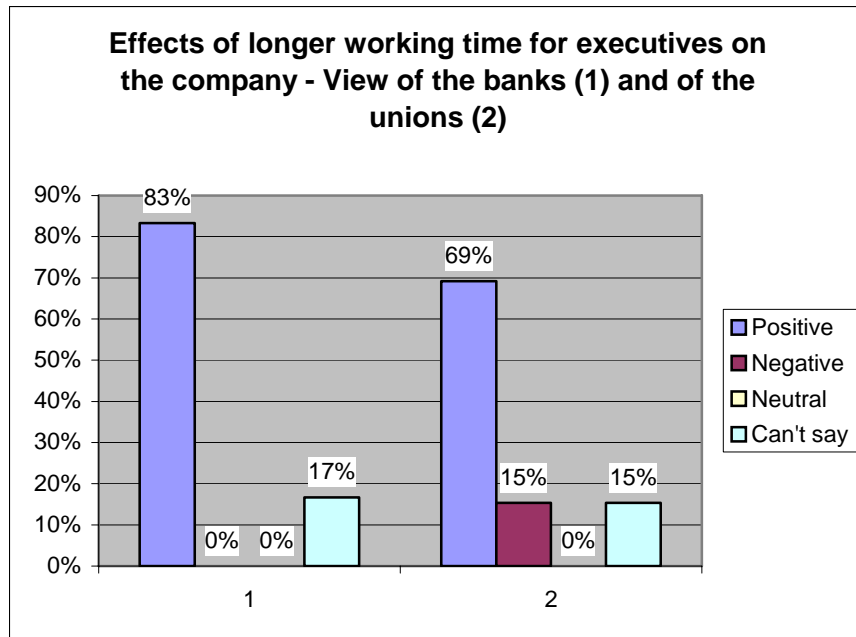


Diagram 5.4

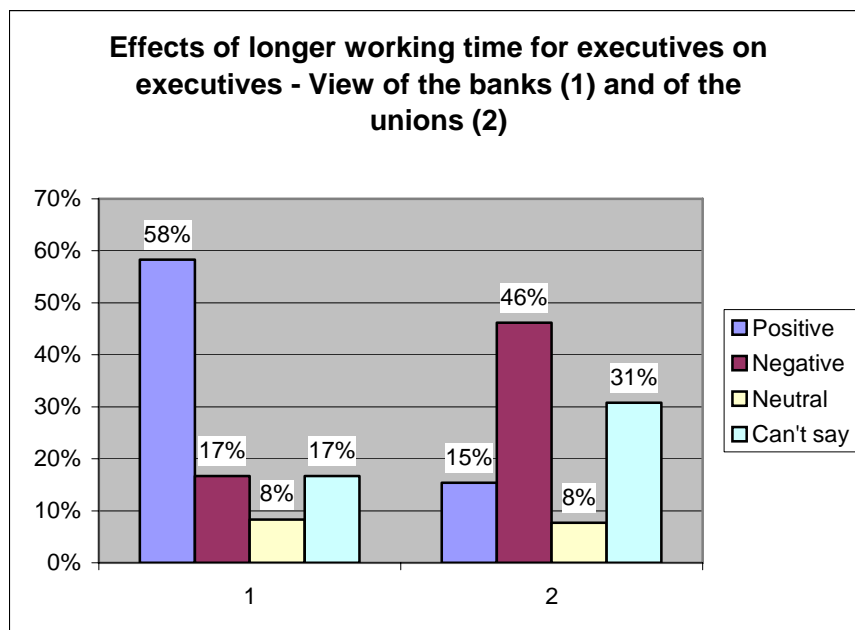


Diagram 5.5

From Diagram 5.4 it can be seen that the vast majority (83%) of the banks believe that longer working time for executives is of benefit to the company.

The unions' views on this subject are somewhat different. Although the majority (69%) agree that the effects on the company are positive, 15% see negative effects, even for the company, perhaps taking into account issues of quality, target-setting and conditions for effective performance of executives, regardless of how long they have worked for the company.

From Diagram 5.5 we note a **significant divergence of views regarding effects** (and therefore interests) **between the enterprises and its executives**. Thus, while the majority of the banks (58%) still see that longer working time for executives has positive effects, even on the executives themselves (perhaps in the belief that it is offset by extra benefits or opportunities for executives "to show what they are worth"), only 15% of the unions share this view.

Negative effects (due to work intensification, less leisure time, worsening conditions and quality of work, etc.) are seen by only 17% of the banks, compared to 46% of the unions. It is worth noting that 31% of the unions that noted longer working time for executives were unable to form a clear picture of this subject, as against 17% of the banks.

5.4.4. Reasons for longer working time for executives

In investigating the reasons that a tendency towards longer working time for executives has been noted, we asked the banks and employees' associations to tell us what in their opinion are the three most important factors leading to this development. The results, based on the frequency with which each factor is mentioned in the reports from the banks and the unions as a whole, are illustrated in Diagram 5.6.

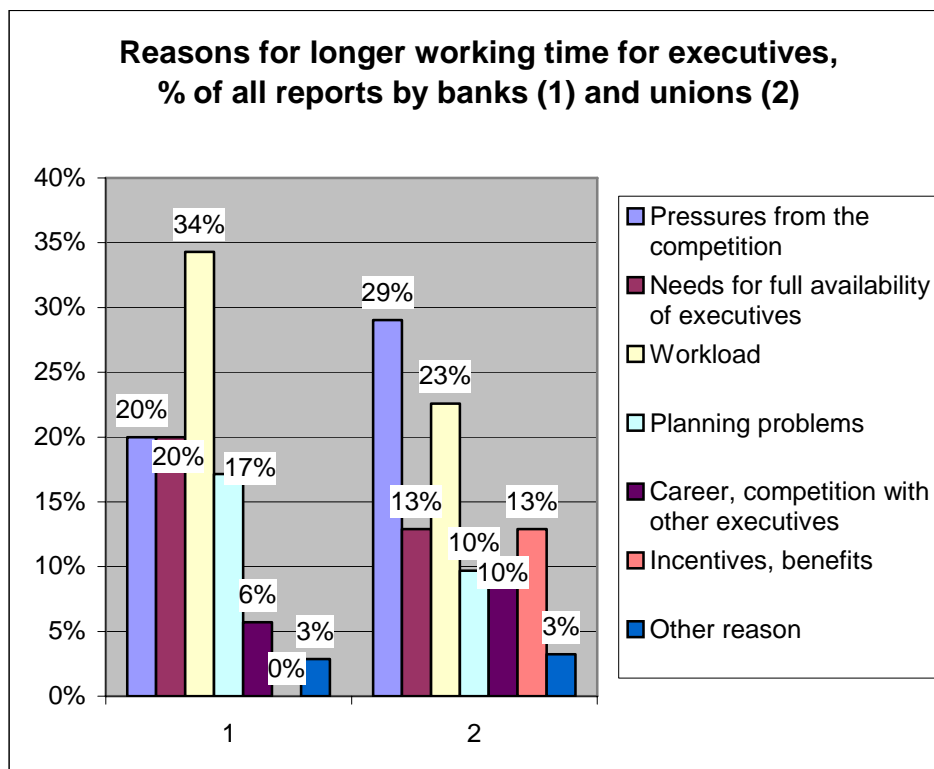


Diagram 5.6

The most important factor (34% of total reports) mentioned by the banks is the workload (which, coupled with possible problems with replacement staff, means an intensification of work and possible needs for hiring in the executive category). This factor was the second most frequently mentioned by the unions (23%).

By contrast, for the unions the most important reason is **pressure from the competition** in general (the thinking is “that’s what everybody has to do”). This seems to “objectify” or even indirectly to legitimise this practice by the banks. Of the banks, 20% chose this factor, together with “needs for executives to be immediately and constantly available”, which 20% of the banks also mention, compared to 13% of the unions.

Planning problems proved to be a rather important factor for the banks (17% of responses), whereas for the unions a similar reason for longer working time was “incentives and benefits for executives” (13%). Factors such as “career – competition with other executives” or “other reasons” were mentioned by only a small proportion of both categories of respondents.

If we bear in mind the two basic factors, i.e. workload and pressures from competition, coupled with planning problems, we may note that there appears to be a significant margin for job creation in the executive field in order to reverse the trend towards longer working time, if companies improve their planning and stop basing their competitiveness on rationales of cost savings through practices of excessively extensive and/or intensive exploitation of their existing executive workforce.

In this framework, questions of reorganising executives’ work, resolving the evident replacement staff problems, young executives’ advancement, and seeking appropriate means of reducing executives’ working time are becoming especially important, both for the companies and for the unions in the sector.

5.4.5. Offsetting longer working time for executives with extra benefits

One point we thought it necessary to examine, where executives’ working time is seen to be longer, is **to what degree this is offset by extra benefits and allowances** (material, moral, etc.) for executives, **or is not offset** (and therefore puts an excessive burden on them and meets with their opposition, whether manifest or not). The responses to this question are illustrated in Diagram 5.7.

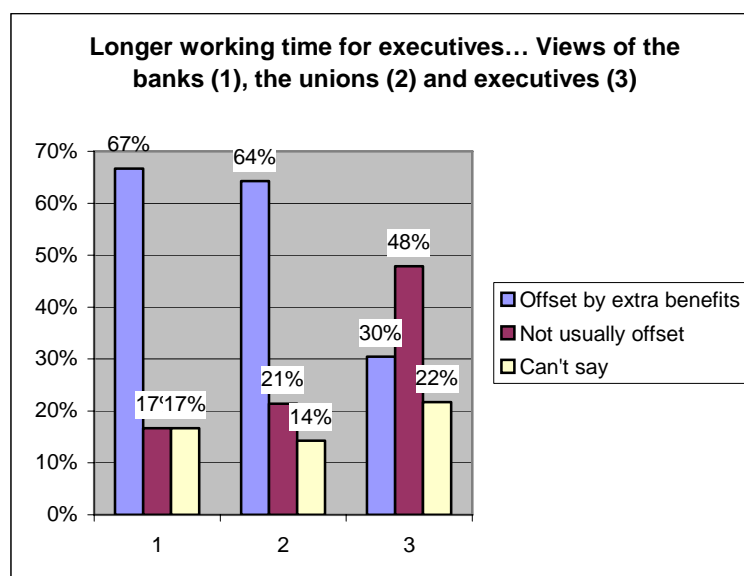


Diagram 5.7

In this diagram we have estimations by the banks, the enterprise-level unions and the executives who took part in the survey's special in-depth workshop, although the latter are only of indicative value and fail to meet the conditions for being representative of all executives in the sector, for reasons that we have already explained in preceding chapters of this study.

According to these data, the majority of banks (69%) believe that longer working time for executives is offset or rewarded, a view shared by 64% of the unions but only 30% of the executives themselves!

By contrast, 17% of the banks, 21% of the unions and 48% of the executives say that it is not offset, and 17% of the banks, 14% of the unions and 22% of the executives responding to the question are unable to say, because they have no clear picture of this issue.

Notwithstanding the representativeness of the data pertaining to the executives themselves who took part in the survey, it is worth noting **the common belief of most of the banks and unions, that executives are indeed working longer and harder, but that as a rule this makes them eligible for comparable benefits and rewards.**

This view is **completely at variance with the view of the executives themselves**, a significant proportion of whom believe exactly the opposite; this may indicate a lack of contact and/or problems in their relationship with the company's existing unions.

This assessment by the banks and the unions, in conjunction with those respondents who "have no clear picture of the subject", may also explain both the tolerance and the acceptance of longer working time for executives as a "normal occurrence" in the sector, even by the unions themselves.

However, this view is somewhat problematic, insofar as tolerance of "takeover" practices of work intensification and lack of leisure time for executives opens the way for extending such practices to staff as a whole, who may be in even greater need of the extra, particularly the financial, benefits.

This may lead to generalisation of violations, de facto unilateral changes and longer working hours for bank employees, when the unions in the sector are fighting for precisely the opposite!

5.4.6. How satisfied are executives with their working hours and available leisure time?

This is a question we put directly to the executives themselves, in order to find out how satisfied they were with their working hours, along with all their particularities and difficulties, in conjunction of course with the leisure time left available to them.

The estimations of the executives who responded are shown in Diagram 5.8.

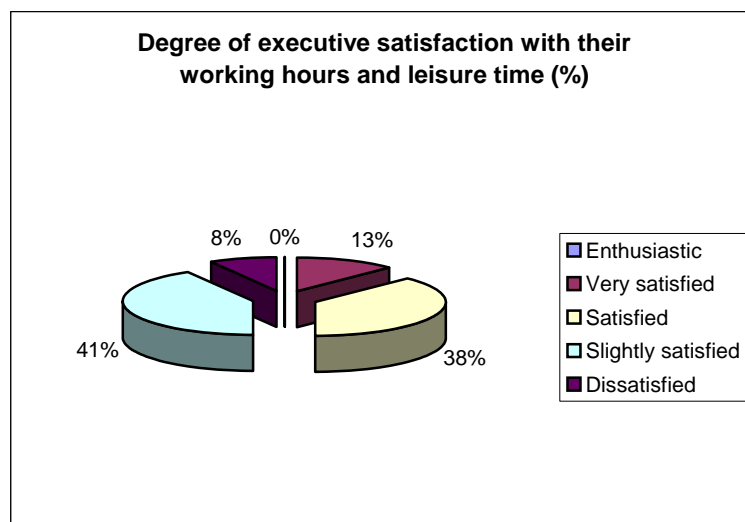


Diagram 5.8

According to 49% of the executives who responded, executives are facing a real problem with their working hours (slightly satisfied, dissatisfied), 13% say they are very satisfied with the existing status quo, and 38% are merely satisfied.

This attitude, if combined with their responses to the previous question (to what degree are longer working hours offset by extra benefits), shows that **executives are ultimately divided on this issue.**

Fifty-one per cent are satisfied or very satisfied with their working hours, either because they enjoy benefits that offset them, or because they could be even worse, based on the practices of competitors and/or international experience.

The remaining 49% believe that existing working hours significantly decrease their leisure time, regardless of the benefits they believe or do not believe they obtain from the company in exchange. Therefore executives constitute a **means of pressure**

and a potential ally of the unions in their demands for reduction of working time in the sector.

5.4.7. Executives' attitude to the company's need for their full geographical and temporal availability

A final point we thought we should examine further, even on the basis of the indicative responses of the executives who took part in the workshop, was the extent to which they believe (agree or disagree) that nowadays executives must provide their services whenever and wherever required by the company.

We did this in order to examine to what degree the existing executive workforce, accustomed traditionally to a fully regulated and clearly defined framework governing the time and place where their duties are to be carried out, is embracing the "new management practices" of flexibilisation and complete availability to the company.

The results, according to the executives' responses, are illustrated in Diagram 5.9.

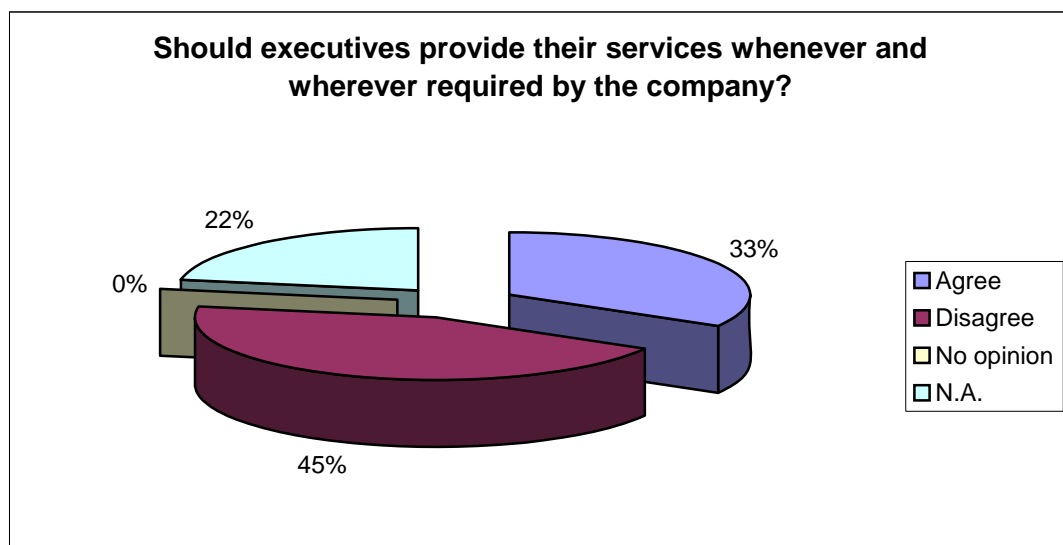


Diagram 5.9

On the basis of the data in the diagram, we see that 1/3 (33%) of the respondent executives accepted, albeit as a "necessary evil", the obligation of almost total availability and flexibility on the part of executives, when required by the company.

A significant proportion (48%) continues to resist this logic. Aware of its dangers, this proportion may coincide with those dissatisfied with executives' working hours in the previous question. Twenty-two per cent preferred not to take a position on this issue, possibly because they considered the question to be particularly "delicate".

The existence of the above differences in attitude and, one might say, management culture among executives on working time issues should be a cause for particular concern for both the banks and – to a much greater degree – for the relevant unions.

5.5. Basic findings and open questions

Despite the fact that we were not able, nor was it our intention, to cover all the dimensions of the issue of “executives’ working time”, the survey data, coupled with the international trends and experiences outlined at the beginning of this chapter, lead to interesting findings and perhaps to even more significant ramifications.

A) First of all, one result of the survey data is **a notable difference in working hours and working time of top executives and secondarily 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.

B) **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!

C) 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.

Δ) A particularly important subject, mainly with reference to top executives, is the **limits of their exemption from the provisions of labour law 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 Chapter 9.