Chapter 3: Basic data on banking executives in Greece

3.1. Source of data – introductory remarks.

The Employment Observatory for the banking sector, a bipartite institution established by the 1994-95 industry-wide collective labour agreement, provides a representative industry-wide database regarding the basic demographic characteristics of banking executives in Greece. But because it collects numerous indices on various labour issues and collates primary business data from annual social progress reports, there is a relative delay in collecting and processing the relevant data.

That is why the most recent industry-wide database available for our use dates from 31.12.1997; it was taken from the social progress reports of 11 banks employing about 70% of the workforce in the sector.

The social progress reports compiled by the banks use the empirical definition applied for a number of years to executives in the sector, namely:

- **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.

3.2. Executives’ share in the total workforce in the sector, 1997, 1995.

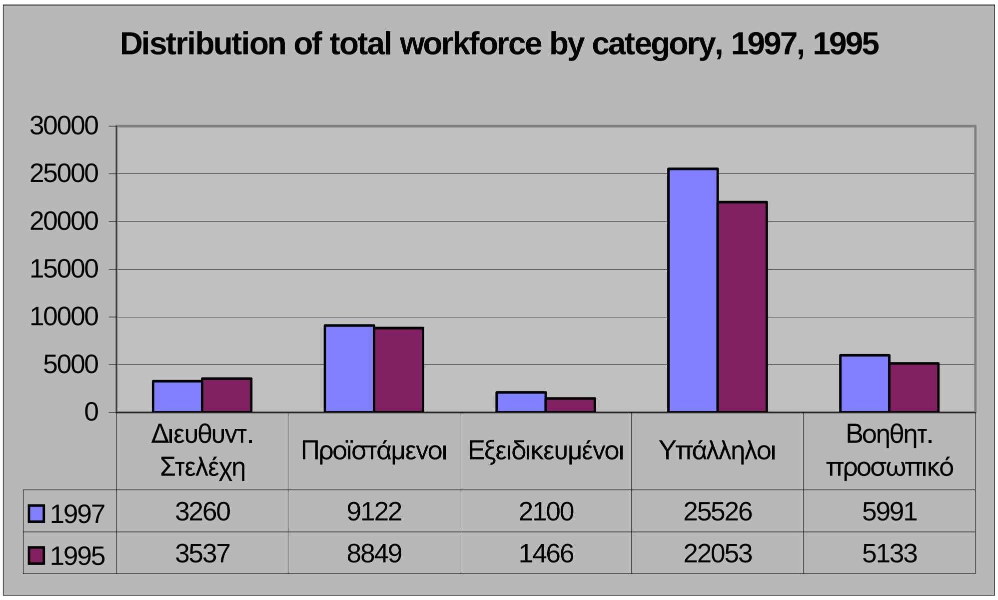


Diagram 1

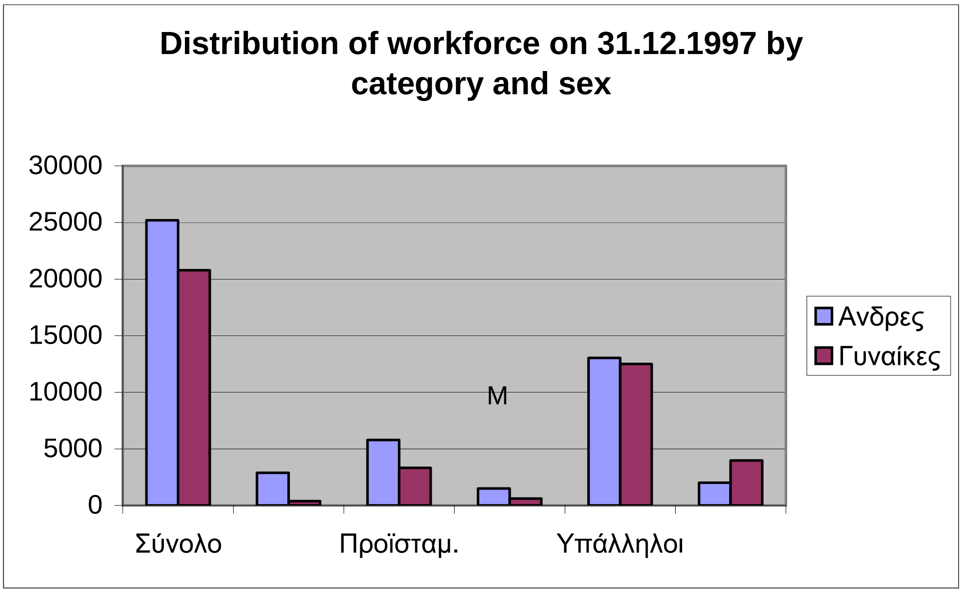
Top executives – Directors – Specialised staff – Employees – Auxiliary staff

In the sector as a whole, on 31.12.1997, top executives constituted 7.1% (compared to 8.6% in 1995), and directors 19.8% (compared to 21.6% in 1995) of the total number of people employed. Overall, the proportion of executives of all types in the banking sector as a whole fell from 30.2% of all employees in 1995 to 26.9%.

This decreased share must be attributed 1) to the decrease in the absolute number of top executives, possibly due in part to resignations and voluntary retirement, which began at that time and has tended to proceed more rapidly with the recent mergers and acquisitions in the sector, and 2) to the relatively more rapid increase in the number and proportion of specialised (non-executive) staff, ordinary employees and auxiliary staff.

This trend may also reflect a “levelling” trend of the pre-existing, strongly hierarchical administrative structures, as well as the increasing trend nowadays to “pick up” (mainly top) executives as a basic result of bank restructuring, mergers and acquisitions.

In any event, the percentage of the total number of people employed in the sector who are executives shows that executives are also quantitatively an important and in no way negligible part (over ¼) of the sector's manpower, deserving of the attention not only of bank management but also of the unions themselves.



3.3. Distribution of executives by sex.

Diagram 2

As diagram 2 clearly shows, the distribution of the banks' executive workforce by sex is completely out of proportion with the overall distribution by sex of the banks' total workforce.

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.

The picture appears to have been slightly better at the end of 1995, when the respective percentages of women were 42.1% of all people employed, 9.4% of top executives, 30.7% of directors, but 29.6% of specialised, non-executive staff. By contrast, women continue to retain the majority in relatively substandard auxiliary jobs: 66.4% of auxiliary staff on 31.12.1997 and 69.5% on 31.12.1995.

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.

It is our contention that one important reason for this is the banks' increased requirements for performance, commitment for a practically unlimited time, mobility, adaptability and flexibility. These requirements are particularly detrimental to female workers, preventing them in practice from being promoted and from taking on the responsibility of executive jobs.

Apart from the preconceived ideas that certain jobs or careers are more “male” than “female”, it has been proven that the unequal social division of roles between the two sexes **pre-exists** the inclusion of women in the sphere of work and by itself creates **an essential differentiation** of women’s work, a differentiation that appears to negate, in practice, every mechanistic or formal implementation of policies of equality and equal opportunities.

Real equality of opportunity presupposes specific actions, positive measures and regulations **in favour of women**, so as to eliminate some of the adverse factors resulting from their bigger role in the sphere of reproductive work, from the “double presence” of women in the areas of production and reproduction, and to open up to them real equal opportunities for promotion to executive positions.

Such actions, for

- special protection/respect for personality,
- collectively ensuring respect for equal opportunities,
- utilisation, dissemination and publicity by the unions for good business practices as well as for “bad practices” (blacklist)
- control of the conditions for working women’s performance, training and promotion
- improvement of working conditions
- reduction of working time without loss of pay,
- highlighting the role and responsibilities of paternity in today’s societies,
- meeting the needs of both parents in children’s daycare centres, creative activity centres, family support networks, special consumer services, institutions for support and care for elderly family members, etc.,

will allow women more time for their work and career development, and more leisure time for themselves and for their social presence and participation.

At the same time, such actions will open the way for both parents to work out a more balanced division of family responsibilities and reproductive work, without which it may be pointless to talk about equality of rights and opportunities between the two sexes.

3.4. Executives' levels of education.

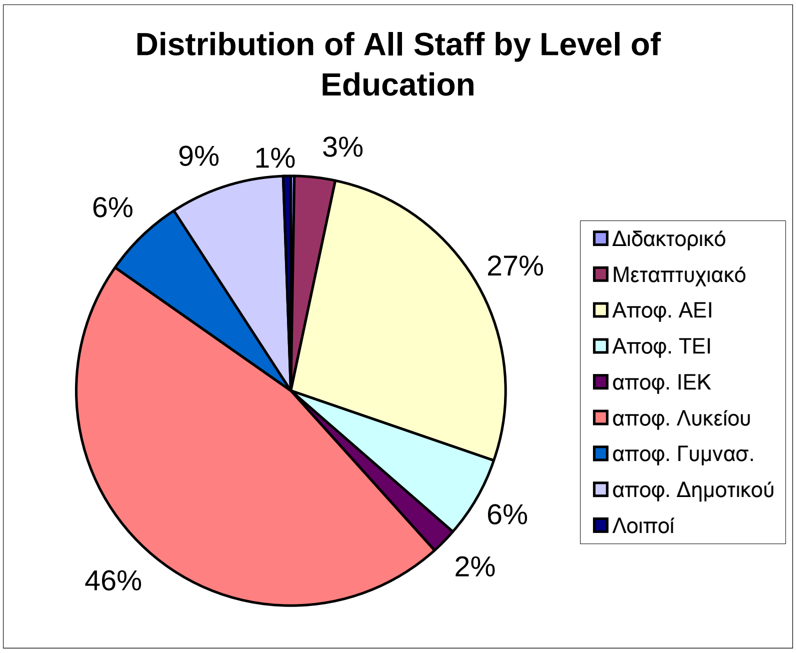


Diagram 3

PhD – post-graduate diploma – Univ. graduates – Higher Tech. Educ. graduates– Voc. Training Inst. graduates – Lyceum graduates – Gymnasium graduates – Elementary school graduates - Other

Diagram 3 shows the distribution of the total workforce on 31.12.1997 according to certificate of studies held. A significant proportion of the total workforce (30.3%) hold a diploma in tertiary education or higher. This figure rises (diagram 4) to 58% for top executives and to 52.7% for directors (diagram 5). It is also quite high (as might be expected , given their functions) among specialised staff, where it is 55.2% (diagram 6).

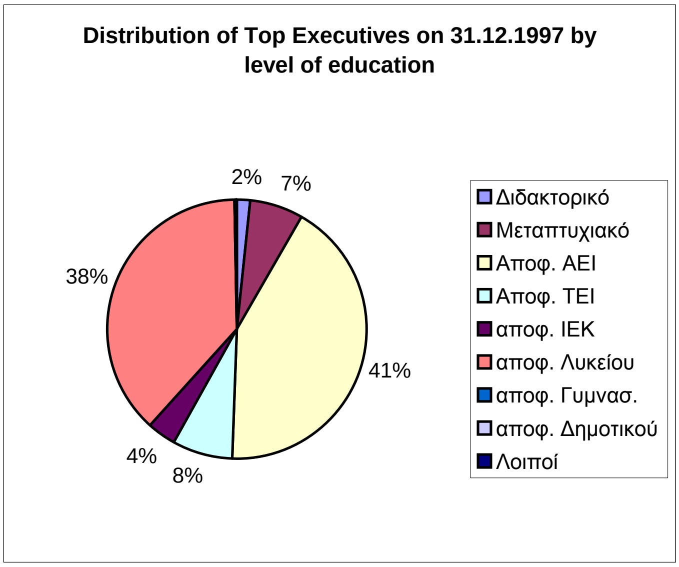


Diagram 4

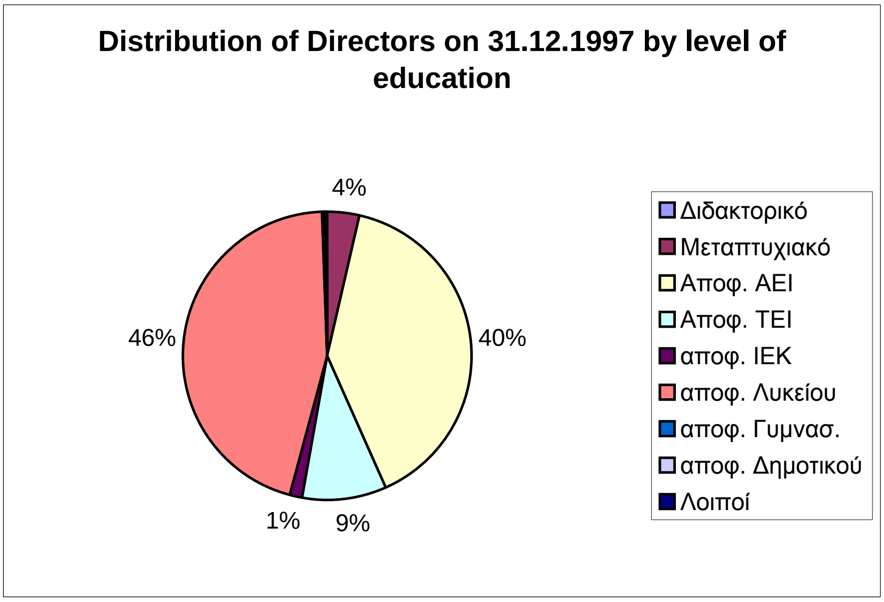


Diagram 5

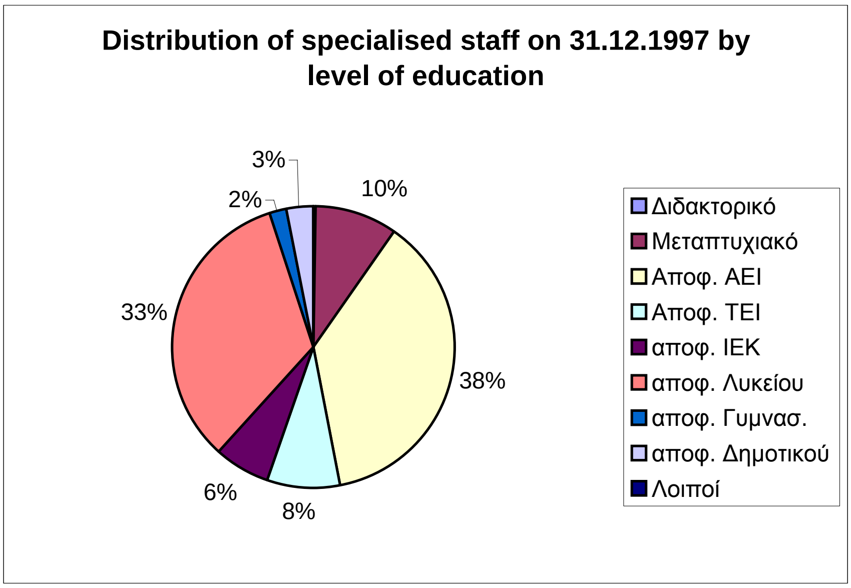


Diagram 6

These data reveal 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, before entrusting them with management positions, many banks now require their executives, especially their top executives, to have at least a university degree. This requirement is expected to become stronger, as a condition for a career base in the banking sector in the future.

It should be noted that the distributions by level of education show no fundamental differences between men and women.

In any case, we should not let the fact escape us that a significant portion of banking executives (38.3% of managers, 45.3% of directors) has no tertiary-level degree.

Obviously, most of these executives have been promoted “from the inside”, 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.

Insofar as nowadays the banks’ pre-existing “internal labour markets” are tending to break down and doubt is being cast on in-company advancement and careers based on the criteria of seniority and experience, we have every reason to expect difficulties in advancement and a reduction in this category of executives and directors in the future. There will certainly be special difficulties for executives in adapting themselves to the demands of competition and for enterprises in rapidly adapting and familiarising themselves with the new conditions.

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 be able to offset their lack of their minimum formal qualifications and basic knowledge that banks require of their executives nowadays.

3.5. Distribution of executives by years of actual service in the bank.

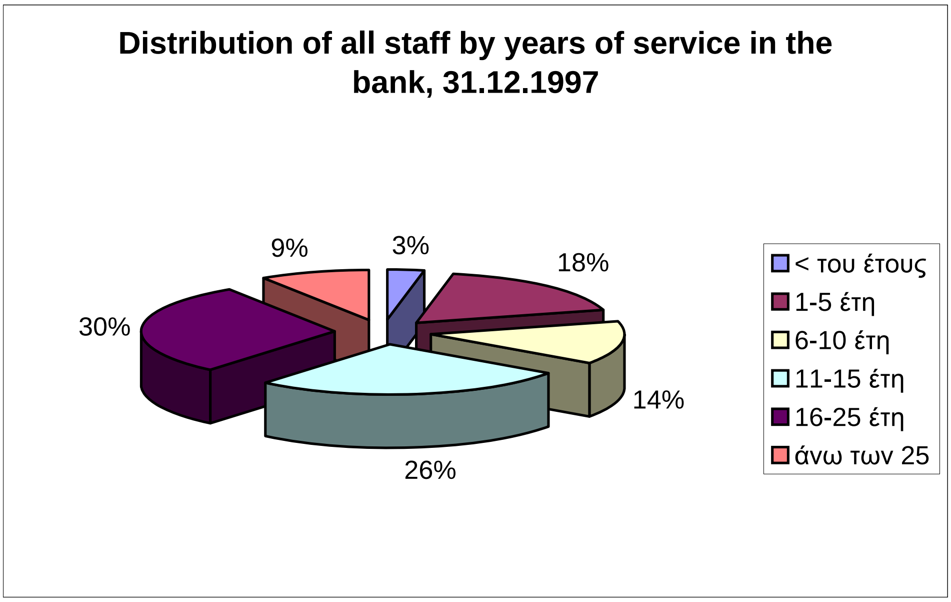


Diagram 7

< one year – 1-5 years – 6-10 years – 11-15 years – 16-25 years - >25 years

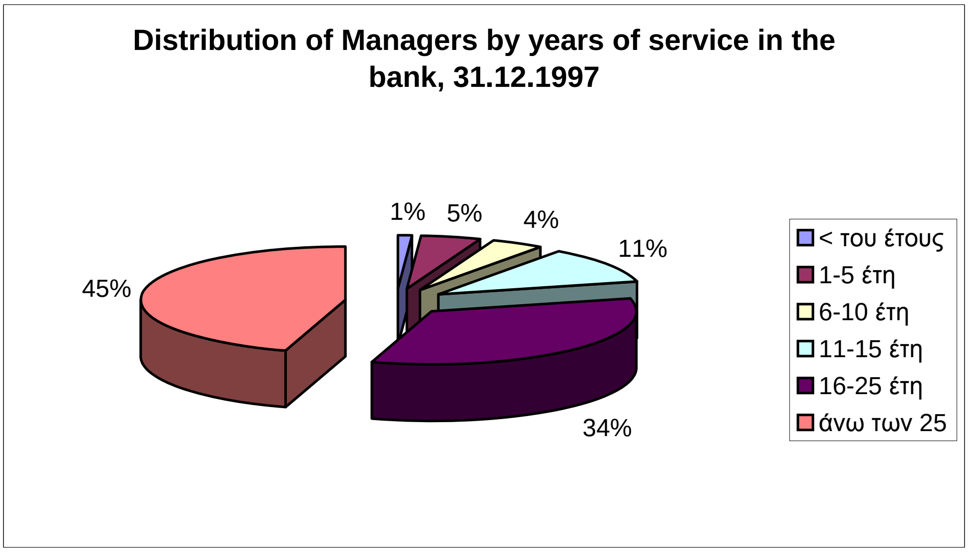


Diagram 8

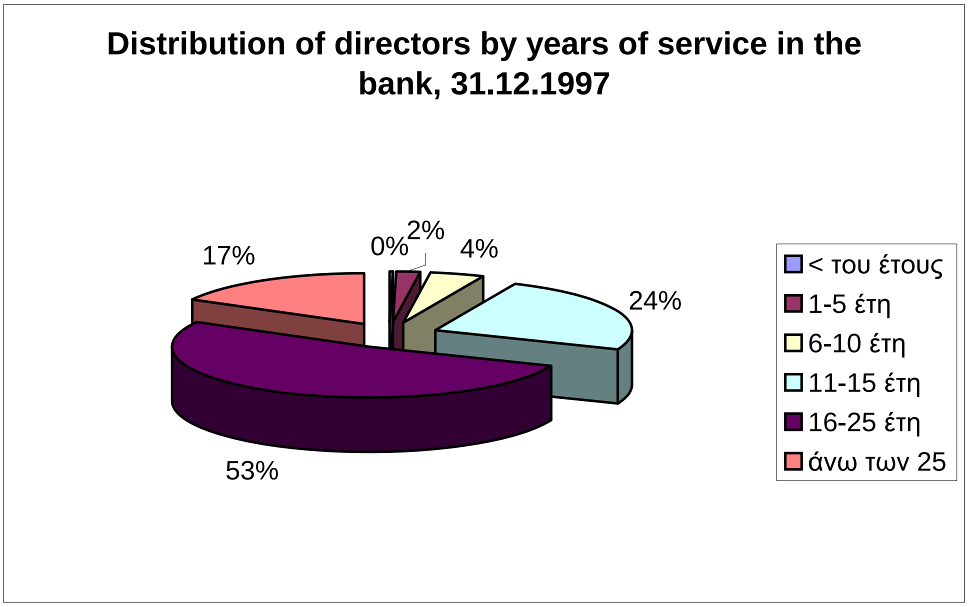


Diagram 9

A comparison of diagrams 7-9 reveals the following:

- In 1997 the proportion of new bank staff was 3%, which represents a slower rate of staff renewal compared to 1995 when the figure was around 7%.

- The renewal of the workforce of managers and directors from the external market was 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 so 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 all staff.

- It can be seen from the above that seniority in the enterprise and the experience resulting from it are still dominant factors and/or preconditions for filling executive positions in banking enterprises in Greece, through "internal labour market" procedures. "Rapid careers" and the strong mobility of executives between enterprises may have been common practices in the sector in recent years, particularly following acquisitions and mergers, but 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.

3.6. Distribution of executives by age.

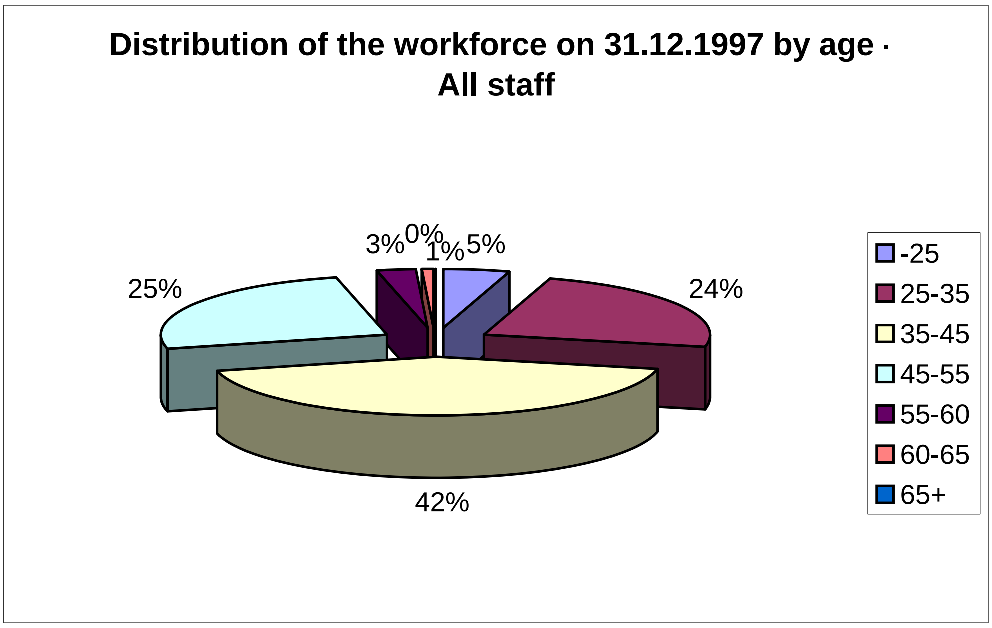


Diagram 10

From the data in diagram 10 it can be seen that young workers under the age of 35 make up 29% of all staff, and that the vast majority (68%) of staff are in the 35-55 age group. Just 1% of the total workforce is near retirement age.

Comparing these data with the data in diagrams 11 and 12, we can see that, as might have been expected, young people under 35 years of age make up less than 1% of top executives and 9.3% of directors.

The older age groups are over-represented in the executive workforce, with 84.5% of managers in the 35-55 age group (14.8% are over 55). Similarly, 88.3% of directors are in the 35-55 age group (2.3% are over 55). Near retirement (60+) are 3% of top executives and only 0.4% of directors.

The majority of top executives are over 45 years of age, whereas most directors are over 35. This, in combination with what was noted in the preceding paragraph on bank executives' actual years of service, confirms the continuing importance of seniority for advancement to directors' positions, and to a much greater degree to management positions.

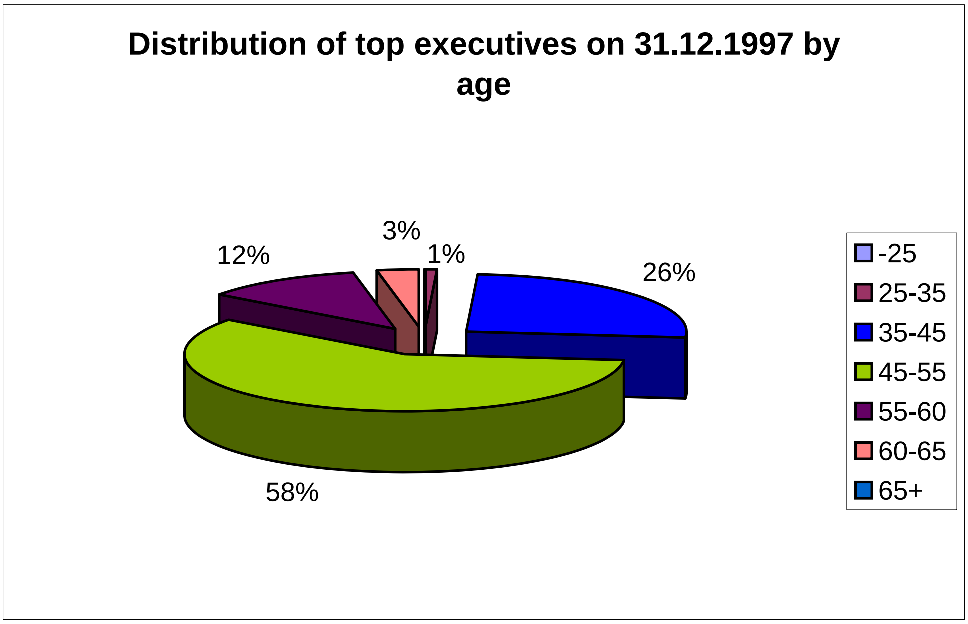


Diagram 11

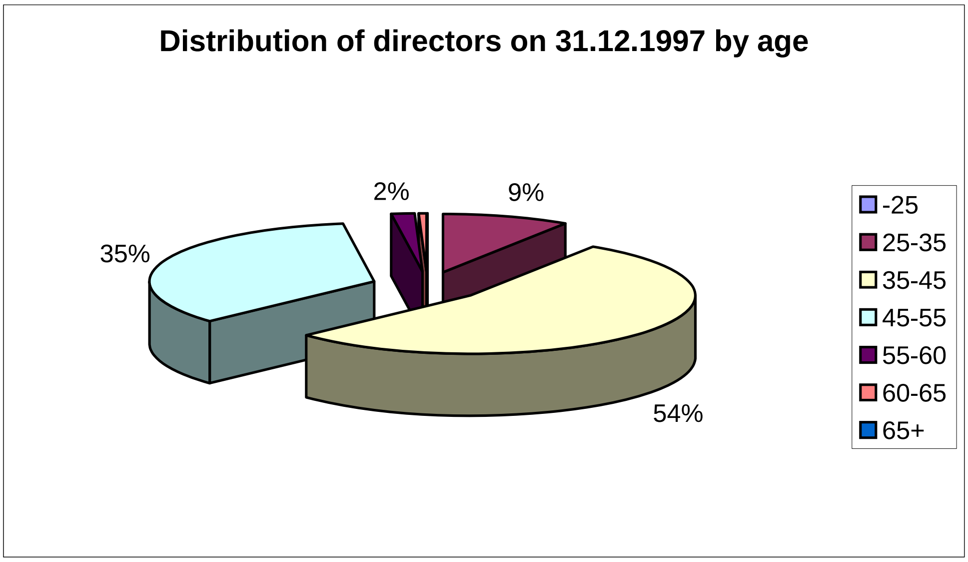


Diagram 12