

# Professional and Managerial Staff in Europe and their Trade Unions in the 21<sup>st</sup> Century

2<sup>nd</sup> EDITION



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# Professional and Managerial Staff in Europe and their Trade Unions in the 21<sup>st</sup> Century

2<sup>nd</sup> EDITION



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This publication is a collective work. Marion Vogt (FORBA) and Guy van Gyes (HIVA) conducted the country reports. Michel Rousset, former president of *EUROCADRES*, together with Heikki Taulu (AKAVA) wrote the first chapter which gives the European overview of professional and managerial staff. Maija Lyly-Yrjänäinen (Eurofound) compiled important information on the working conditions of professional and managerial staff in Europe (appendix 1).

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# We say

**Professional and managerial staff** (in English)

**професионалните и управленски кадри** (in Bulgarian)

**řídící pracovníci** (in Czech)

**akademikere og ledere** (in Danish)

**Fach- und Führungskräfte** (in German)

**kutseline- ja juhtivpersonal** (in Estonian)

**στελεχών επιχειρήσεων** (in Greek)

**cuadros y profesionales** (in Spanish)

**cadres** (in French)

**profesionalno i menadžersko osoblje** (in Croatian)

**quadri e alte professionalita'** (in Italian)

**Profesionālajam un vadības personālam** (in Latvian)

**kvalifikuoti specialistai ir vadybininkai** (in Lithuanian)

**Értelmiségiek és Vezetők** (in Hungarian)

**kaderpersoneel** (in Dutch)

**funksjonærer i ledende stilling** (in Norwegian)

**pracownicy z wyższym wykształceniem i kadry kierownicze** (in Polish)

**profissionais e quadros** (in Portuguese)

**cadre** (in Romanian)

**strokovno in vodstveno osebje** (in Slovene)

**riadiaci pracovníci** (in Slovak)

**koulutetut ryhmät ja ylemmät toimihenkilöt** (in Finnish)

**chefer och specialister** (in Swedish)

**profesyonel yöneticiler** (in Turkish)

This book already has a history.

The first edition in 2001, built together with the European Trade Union Institute, was the first attempt to build a unified picture of Professional and Managerial Staff (P&MS) in Europe and their diversity (in terms of legal definitions and trade unions' ways of organising them) in the various countries.

This second edition updates and refines a vision of an increasing part of the European workforce; this is becoming more and more important when it comes to facing the problem of the social and economic crisis in a way able to revive the European goals of cohesion in our society and competitiveness within a context of globalisation.

In fact, a picture is not enough to describe an evolving reality like that of P&MS.

The transformation of our society and economy into knowledge-based ones means continuous changes in the way our work is organised and in professional qualifications. This calls for a picture that is equally evolving, able to understand the innovations and the new challenges in non-formal skills and competences such as autonomy, responsibility and initiative on the part of professionals and managers. What was once the labour "by the sweat of one's brow" is now knowledge work; but even what was, more recently, the technical or managerial know-how, is now cultural or better humanistic stance.

For these reasons *EUROCADRES* is committed to initiating and developing an Observatory on Professional and Managerial Staff in the knowledge-based Europe, one which will be able to identify not only their formal qualifications and non-formal skills and competences in terms of autonomy, responsibility and initiative, but also their new needs in terms of education, training and lifelong learning, and to serve them and their national trade unions in building new European spaces in mobility, innovation and creativity.

This book (and the research project supported by the European Union) seeks to act as a basis and a booster for such a tool providing energy and motivation to everybody ready to face the challenges for professional and managerial staff and to follow the aims of the observatory in particular.



**Carlo Parietti**  
President

# Professional and managerial staff: who are they?

## ILO DEFINITION OF PROFESSIONAL AND MANAGERIAL STAFF

The ILO (International Labour Organization) definition of P&MS is included in the 'Compendium of Principles and Good Practices relating to the Employment of Professional Workers' adopted by the ILO Governing Body (following a tripartite conference held in 1977):

*'a person:*

*a) who has completed a higher level of education and vocational training or possesses recognised equivalent experience in a scientific, technical or administrative field; and*

*b) who performs, as a salaried employee, functions of a predominantly intellectual character involving the exercise of a high degree of judgement and initiative and implying a relatively high level of responsibility.*

*The term should also cover any person who, in addition to possessing characteristics a) and b) above, has had delegated to him, by and under the general direction of his employer, responsibility for planning, managing, controlling and co-ordinating the activities of part of an undertaking or of an organisation, with the corresponding authority over other persons. The term does not cover top-level managers who have a large delegation of authority from their employers.'*

## ISCO CLASSIFICATION

ISCO is the International Standard Classification of Occupations. The first version of ISCO was adopted in 1957. It is known as ISCO 58. It has subsequently been updated (ISCO 68 and ISCO 88). The last version was adopted in December 2007 and is known as ISCO 08.

ISCO is based on 10 major groups<sup>1</sup>, with the two first major groups corresponding to professional and managerial staff:

---

<sup>1</sup> The ten ISCO major groups are: 1: Managers, 2: Professionals, 3: Technicians and associate professionals, 4: Clerical support workers, 5: Service and sales workers, 6: Skilled agricultural, forestry and fishery workers, 7: Craft and related trades workers, 8: Plant and machine operators and assemblers, 9: Elementary occupations, 0: Armed forces occupations.



**Major group 1: Managers**

- 11 Chief executives, senior officials and legislators
- 12 Administrative and commercial managers
- 13 Production and specialized services managers
- 14 Hospitality, retail and other services managers

**Major group 2: Professionals**

- 21 Science and engineering professionals
- 22 Health professionals
- 23 Teaching professionals
- 24 Business and administration professionals
- 25 Information and communications technology professionals
- 26 Legal, social and cultural professionals

The Statistics Office of the European Union (EUROSTAT) uses a European variant, called ISCO 88 (COM), which should become ISCO 08 (COM).

**EUROCADRES APPROACH**

For P&MS, *EUROCADRES* refers to the ISCO major groups 1 and 2 in line with the ILO definition. These two groups<sup>2</sup> correspond to the highest ISCO skill level (n° 4) usually obtained as the result of study at a higher educational institution for a period of 3–6 years, leading to the award of a first degree or higher qualification: ISCED (International Standard Classification of Education) level 5a or higher.

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<sup>2</sup> With the exception of the sub-group 1.4 (hospitality, retail and other services managers) which are at skill level n° 3.

## Professional and managerial staff: how many in Europe?

<i>Thousand employees</i>	Total employees	ISCO 1	ISCO 2	<b>P&amp;MS (ISCO 1 &amp; 2)</b>	<b>Percentage of P&amp;MS among total employees</b>
Belgium	3731	273	786	<b>1059</b>	<b>28.4%</b>
Bulgaria	2849	116	366	<b>482</b>	<b>16.9%</b>
Czech Republic	4125	211	427	<b>638</b>	<b>15.5%</b>
Denmark	2550	143	376	<b>518</b>	<b>20.3%</b>
Germany	33649	1156	4421	<b>5578</b>	<b>16.6%</b>
Estonia	597	67	90	<b>157</b>	<b>26.4%</b>
Ireland	1749	170	310	<b>480</b>	<b>27.4%</b>
Greece	2900	60	483	<b>542</b>	<b>18.7%</b>
Spain	16760	406	2150	<b>2556</b>	<b>15.2%</b>
France	22862	1339	2940	<b>4279</b>	<b>18.7%</b>
Italy	17167	351	1482	<b>1833</b>	<b>10.7%</b>
Cyprus	301	9	49	<b>58</b>	<b>19.2%</b>
Latvia	998	64	142	<b>207</b>	<b>20.7%</b>
Lithuania	1324	112	268	<b>380</b>	<b>28.7%</b>
Luxembourg	188	6	44	<b>50</b>	<b>26.6%</b>
Hungary	3440	204	465	<b>669</b>	<b>19.4%</b>
Malta	135	9	17	<b>26</b>	<b>19.0%</b>
Netherlands	7349	525	1362	<b>1887</b>	<b>25.7%</b>
Austria	3450	179	322	<b>501</b>	<b>14.5%</b>
Poland	11666	560	2122	<b>2682</b>	<b>23.0%</b>
Portugal	3902	81	384	<b>465</b>	<b>11.9%</b>

Romania	6197	153	853	<b>1006</b>	<b>16.2%</b>
Slovenia	829	35	135	<b>171</b>	<b>20.6%</b>
Slovakia	2044	88	203	<b>292</b>	<b>14.3%</b>
Finland	2178	161	415	<b>576</b>	<b>26.4%</b>
Sweden	4060	178	786	<b>965</b>	<b>23.8%</b>
United Kingdom	25169	3662	3508	<b>7169</b>	<b>28.5%</b>
European Union	182166	10318	24906	<b>35224</b>	<b>19.3%</b>
Croatia	1266	18	135	<b>153</b>	<b>12.0%</b>
Norway	2239	132	267	<b>399</b>	<b>17.8%</b>
Turkey	12333	478	1154	<b>1633</b>	<b>13.2%</b>

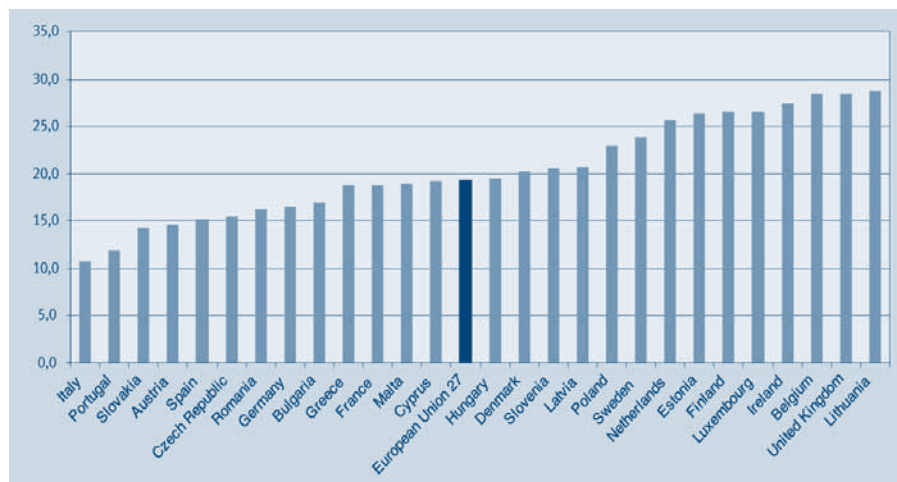
Source EUROCADRES 2009, data EUROSTAT, Labour force survey 2007

Professional and managerial staff, seen as ISCO classifications 1 and 2, represent around 19% of employees in the European Union. At almost a fifth of all employees, this is a significant proportion of the labour force. It should also be noted that this figure has been rising steadily for several years. At the same time, other employment categories have shown some downward movement, particularly in the least qualified groups, reflecting a new balance in the composition of the employed workforce with a growth in the numbers of professional and managerial staff.

It should also be noted that although the average is 19.3%, there are significant differences between European countries. For example, Belgium, Lithuania, Ireland and the United Kingdom have more than 27%, whilst Italy and Portugal record a little less than 12%.

Structural differences in the manufacturing base may partly serve to explain these differences, particularly with reference to the greater or lesser importance of the services sector, which employs a higher proportion of P&MS than industry. However, other elements may also come into play, including whether staff are included in the definition of P&MS or not, which may vary in line with sociological habits (attachment to a group) or the influence of collective bargaining and the law (inclusion or otherwise of P&MS in collective agreements or under certain laws).

## PERCENTAGE OF P&MS AMONG TOTAL EMPLOYEES



Source *EUROCADRES* 2009, data EUROSTAT, Labour force survey 2007

[ Chapter 1 ]



# Professional and managerial staff in Europe

# PROFESSIONAL AND MANAGERIAL STAFF IN EUROPE

## 1. Professional and managerial staff: national definitions

In the introduction we recalled the international definition of professional and managerial staff (P&MS) that is usually used. In the various European countries the approach is broadly similar in categorising P&MS. They are generally defined in relation to their autonomous decision-making and management powers in some vital area of the enterprise. It is thus the delegation of powers from the top levels which distinguishes them from other employees. Other factors may also enter the equation when defining P&MS, such as their educational levels.

In order to examine the situation regarding legal and/or contractual definitions and to classify the various countries in the study, these definitions of professional and managerial staff have been assessed in relation to their impact on the protection of these staff. It was apparent that some legal and/or contractual provisions could be aimed at excluding P&MS from part or all of the protection provided under labour law or collective agreements. Conversely, in other countries the law and/or collective agreements provided protection or other special measures for P&MS as compared with other staff categories.

The national studies lead us to identify three types of definition. These are based on the effects they have in terms of the rights accruing from the definition of P&MS, whether legal or contractual.

- ▶ Definitions which exclude P&MS from some or all of the provisions of collective agreements. In these cases the definition of P&MS generally excludes them from the normal application of laws and collective agreements. The definition may then be described as ***excluding***.
- ▶ Definitions which improve conditions or representation, specifically for P&MS, as compared to those affecting other staff categories. In these cases the law and/or collective agreements recognise additional rights for P&MS in certain areas (such as pensions and training). The definition may then be described as ***specific***.

- Definitions may also be vague or even absent. In some cases there are no laws or collective agreements defining P&MS, who are classified with other employees or white-collar workers and have no particular advantages as compared with this group. The situation is then described as *imprecise or lacking* definition.

## 1.1. EXCLUDING DEFINITIONS

Various countries in Europe operate definitions or practices for the protection of P&MS which may be seen as negative in their effects, particularly by making it possible to exclude staff with responsibilities (particularly managerial responsibilities) from some or all of the labour regulations.

***It is often the case for working time regulations.*** In the United Kingdom, it was the transposition of the European working time directive that led to a definition of professional and managerial staff, since the transposed law introducing the 48-hour week contains an exemption for ‘managing executives and other persons with autonomous decision-making powers’.

In the Netherlands, the law on working hours does not apply to workers who have an income of at least three times the minimum annual salary.

In Norway, there is no working time limitation for particularly independent positions but without a clear definition of these groups.

In Belgium, the situation remains imprecise, since P&MS are defined as ‘any persons occupying a position of trust’. On the basis of this definition P&MS, as opposed to employees, may be excluded from the scope of the working time legislation, since the exclusion is aimed at anyone with responsibilities within the enterprise. It should be added that in Belgium, although the law is ‘excluding’ at first sight since it excludes P&MS from the working time laws, there also exists a special system of representation for P&MS which comes into effect when an enterprise reaches a certain size or number of P&MS. Thus, although the law excludes Belgian P&MS from working time protection, it does provide other advantages. There is a special college within works councils (where a company has over 100 employees or if the number of P&MS exceeds 15). Furthermore, collective bargaining does not in practice necessarily reflect the excluding and negative character of the law, and some sectors benefit from specific agreements or agreements which include P&MS.

In Luxembourg, the 1965 law states only that the working and pay conditions of senior managers are not covered by the collective agreements concluded

by staff. As the notion of P&MS is rather broader than that implied by ‘senior managers’, the situation in Luxembourg is rather unclear and it is possible to exclude P&MS from some collective agreements, particularly in the private sector.

The situation in Germany also seems to be ‘excluding’, at least in part. P&MS are normally considered to be white-collar workers and as such, to be covered by collective agreements, but the existing definitions of ‘*Aussertarifliche Angestellte*’ make reference to exclusion from collective agreements. Senior professional and managerial staff (‘*Leitende Angestellte*’) are defined by the law but enjoy certain privileges such as the specific representative body called the ‘*Sprecherausschuss*’.

In addition, cases of exclusion are often focused on **top executive managers**, while other professional and managerial staff are clearly covered by collective agreements. These exclusions may be relatively broad. Top managers may be excluded from collective agreements or labour laws in Austria, Greece, Sweden, etc, or from trade union rights, as in Malta and Slovakia (for managers who sign a collective agreement on behalf of the employer). In Croatia and Bulgaria, top managers have not work contracts but managerial contracts.

As can be seen, the impact of these excluding definitions may vary from one country to the next. Despite exclusion from some or all aspects of collective agreements, the situation of P&MS varies in line with enterprises and sectors. An ‘excluding’ legal definition, or an ‘excluding’ definition within collective agreements, does not necessarily make the actual situation of P&MS systematically more difficult. Sectoral and enterprise agreements may well bypass this ‘excluding’ definition. The existence of these agreements will be discussed in more detail under *Collective bargaining* below.

## 1.2. SPECIFIC DEFINITIONS

Specific legal and/or agreed definitions generally confer additional and/or specific rights as compared with those enjoyed by other employee categories. This is particularly the case in three countries.

In Italy, a 1985 law recognises the existence of P&MS as an intermediate category between managers and white-collar workers. Alongside the existing recognition of ‘*Dirigenti*’, senior executives and top managers, the law on ‘*Quadri*’



(P&MS) made it possible to give them explicit recognition with a company but also gave legal backing to the signature of specific P&MS agreements.

Similarly, Denmark has a law for employees (the '*Funktionaerloven*') which applies to both professional and managerial and other white-collar staff, but which has an impact on the protection provided to P&MS.

Finally, in France P&MS were recognised via the medium of law and of collective agreements. There are a number of special sectoral agreements for P&MS and, more frequently, additional clauses relating to these workers in branch agreements covering all workers. This generalised definition, more usually based on the recognition of educational qualifications than on autonomous decision-making powers, has also led to agreements or special clauses for a number of P&MS rights (mobility, training, working time, etc), *inter alia* in branch or enterprise agreements. Further, the AGIRC agreement of 1947 set up a specific supplementary pensions scheme for management and similar staff.

As can be seen, these '**specific definitions may arise from laws or agreements**' and have different implications in different countries. More particularly, there is a shadowy area between these 'excluding' and 'specific' situations, in which the definition of P&MS is sometimes imprecise, and more often, altogether lacking.

### 1.3. IMPRECISE OR LACKING DEFINITIONS

In a number of countries, professional and managerial staff are not precisely defined in either law or agreements. This is the case in Austria, Estonia, Ireland, Latvia, Greece, Hungary, Poland, Portugal, Spain, and to a lesser extent Finland, Norway and Sweden.

In these countries, P&MS are often covered by traditional collective agreements. This means that they are protected under collective agreements and a legal system which generally recognises only a distinction between white- and blue-collar workers (the definition of white-collar workers is broader than that of P&MS in the strict sense).

For example, in Slovenia, there is no special definition of P&MS. However, Slovenia's Employment Relationship Act stipulates that the employment contracts of managerial staff may diverge from collective agreements in terms of rights, obligations and responsibilities. In the Czech Republic, collective

bargaining for P&MS is covered by general regulations. Nevertheless, specific conditions for professional and managerial staff can be bargained and specified in collective agreements at company level. These generally focus on two major issues: pay and working time.

#### **1.4. AUTONOMOUS DECISION-MAKING, MANAGEMENT, EDUCATION**

Generally speaking, the definition of P&MS relies on the notion of autonomous decision-making or management powers in all the countries studied, where educational achievements are also taken into account. However, it may be observed that the law is used sparingly in this area, even in countries with a highly regulated labour market such as France (the role of branch agreements), Belgium and Luxembourg (where the role of the law is restricted to the exclusion of P&MS from the working time laws). For the most part, it is collective bargaining which sometimes provides a definition of P&MS and more often social advantages which extend beyond the minimum. *A priori*, this strengthens the role of trade unions in the area.

## **2. Trade unionism and P&MS**

Among 35 million professional and managerial staff – P&MS – (according to the international classification of occupations, ISCO groups 1 and 2), more than 6 million are members of trade unions, within a large variety of organisations. Most of them (around 80%) are gathered in *EUROCADRES*, the Council of European professional and managerial staff. *EUROCADRES* has more than 5 million P&MS members, is recognised as a European social partner and is an organisation associated to the ETUC.

### **2.1. METHODS OF ORGANISATION**

In most European countries, there is one or usually several trade union confederations which bring together the affiliated trade unions. Their methods of organisation are influenced by their history and by the economic and social background. The representation of professional and managerial staff is then organised through P&MS-specific unions or through groups or structures

which are part of more general trade unions. There is also a minority of trade unions which are not affiliated to any higher level or umbrella confederation.

The large variety of national unions organising P&MS comes from cultures and historical changes that have shaped the various national backgrounds. Reasons for establishing trade union structures are often mixed. However, in some countries, these structures are mainly shaped by reasons related to the economic or industrial sectors; in some other countries, the structures are mainly based on levels of qualifications.

Briefly, we can distinguish 3 main processes:

**2.1.1. ORGANISATION BASED ON SECTORS**

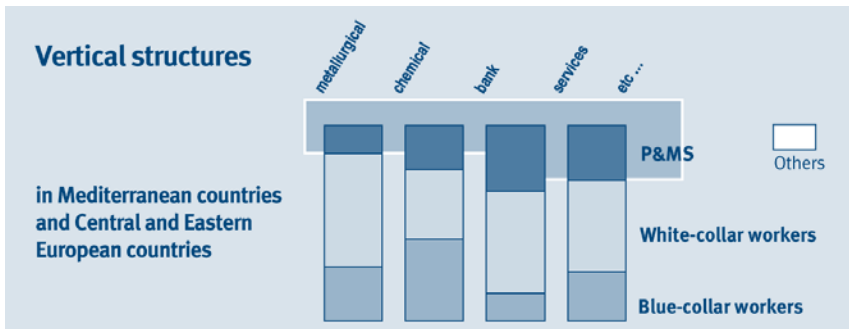
Historically a large number of unions have grown up by organising employees in a particular industry. These processes have led to the predominance of the vertical, industrial trade union federations, with in most countries vertical structures and sometimes an additional distinction related to two different types of status for blue-collar workers and for white-collar workers leading to statutory structures.

***Vertical structures:***

P&MS are member of unions or federations corresponding to the various vertical sectors (or branches) together with other categories of workers. Central organisations (or Confederations) that unite these federations (bringing together various categories of employees) have set up specific organisations for P&MS.

In brief, P&MS are involved simultaneously:

- ▶ in sectoral vertical organisations with other employees, and
- ▶ in horizontal organisations specific to P&MS



In the majority of Mediterranean countries and Central and Eastern European countries, there are several confederations in each country.

In a few countries, P&MS are member of unions together with other employees and there is no union specifically for P&MS at ground floor level. This is the case:

- ▶ in Bulgaria, where professional and managerial staff are organised in several trade unions, which are affiliated under the two largest national trade union confederations. There are also some small non-affiliated trade unions with a lot of professional and managerial staff members;
- ▶ in Croatia, where numerous trade unions, which also represent professional and managerial staff, are affiliated under several higher-rank associations of trade unions;
- ▶ in the Czech Republic, where there is one major and some other smaller confederations. Significant numbers of professional and managerial staff are represented by several affiliated trade unions under the country's largest trade union confederation;
- ▶ in Greece, where there are two confederations and P&MS are part of the general union structures.

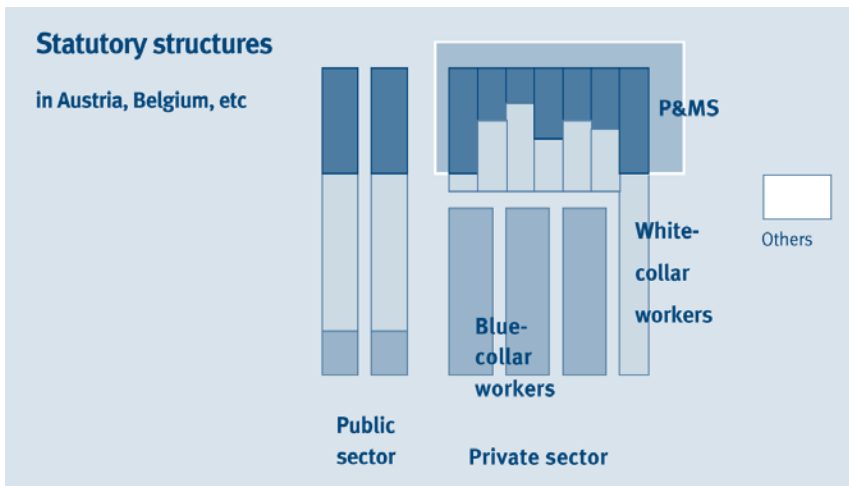
In most countries, according to the sectors, there are specific unions of P&MS and more general unions bringing together various categories of employees (including P&MS). In both cases they are affiliated to the central organisations. P&MS are simultaneously members of specific P&MS organisations set up at the confederal level. In addition, small independent P&MS organisations may exist. For example:

- ▶ in France, there are five main confederations, each with a special organisation for professional and managerial staff. There are also affiliated unions which specialise in organising professional and managerial staff;
- ▶ in Italy, each of the three main confederations has set up a specific organisation for P&MS at national level. In addition there are some other P&MS unions and a number of P&MS associations;
- ▶ in Poland, there are two differently structured large trade union confederations. P&MS are organised in trade unions like all other workers. Some trade unions mainly represent professional and managerial staff and one represents exclusively professional and managerial staff;
- ▶ in Portugal, there are two major confederations, where P&MS have some affiliated specific unions and P&MS also have a specific organisation in each confederation. In addition, some independent unions for P&MS exist;
- ▶ in Romania, there are several central organisations with affiliated unions which bring together either various categories of employees or specific groups such as researchers;

- ▶ in Slovakia, there are one dominant and two small trade union confederations covering affiliated trade unions that are in many respects autonomous. Some of the trade unions can be defined as only representing professional and managerial staff;
- ▶ in Slovenia, there are seven trade union confederations. P&MS are mainly members of the unions affiliated to the main confederations. There are also non-affiliated trade unions for specific professional and managerial staff like physicians;
- ▶ in Spain, there are two main trade union confederations in which there are special structures for professional and managerial staff. There are also some independent unions purely for P&MS.

**Statutory structures:**

In some countries, there is a historical difference in status between blue-collar (manual) workers, white-collar workers and public sector employees. As a consequence, there are several sectoral organisations for blue-collar workers and one organisation for white-collar workers covering the various private sectors. In that case, P&MS are mainly organised within white-collar organisations, where some specific structures are set up for them.



This approach leads to similar structures in Austria and Belgium:

- ▶ in Austria, there is one umbrella confederation. Most P&MS are members of one of five affiliated federations (one for white-collar workers in the private sector and several in the public sector) and a specific structure for P&MS works at national level;

- ▶ in Belgium, two major trade union confederations have specialised structures for P&MS within their white-collar organisation. A number of P&MS are members of the third confederation. There are also independent trade union organisations for P&MS.

In addition, in some other countries the structures are not the same. They are in an intermediary position between the vertical style and the statutory style. However, the distinction between the two types of status for blue-collar and white-collar workers continues to have some consequences:

- ▶ in Germany, one umbrella confederation covers eight affiliated trade unions. Professional and managerial staff are represented in all of these. In addition, there are several specific structures for white-collar workers and for P&MS;
- ▶ in the Netherlands, P&MS are mostly organised in federations, which are affiliated to three confederations. One confederation is specially for white-collar workers, with a number of P&MS.

### **2.1.2. ORGANISATION BASED ON QUALIFICATIONS**

In some countries, the various levels of qualifications have played a particularly important role in the organisational processes, with different unions for blue-collar workers, white-collar workers and university graduates.

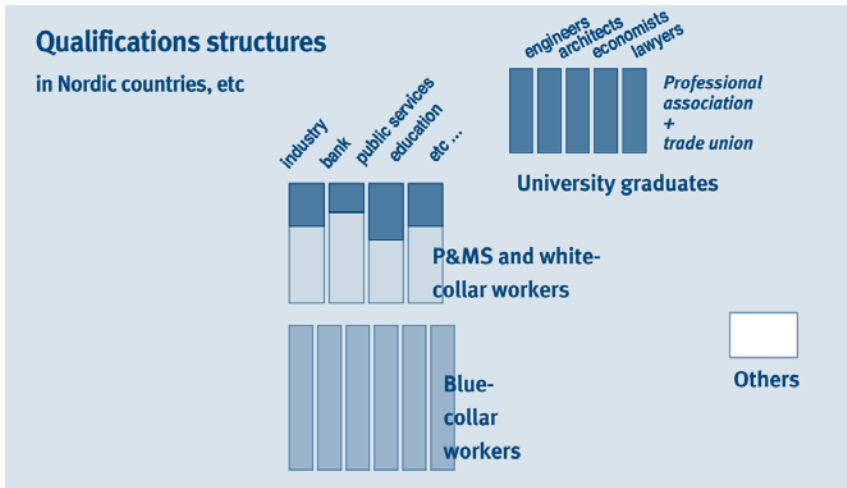
#### ***Qualifications structures:***

These developments have led to three confederations at national level, each confederation organising one of the 3 groups of employees:

- ▶ white-collar workers
- ▶ blue-collar workers
- ▶ university graduates

Confederations for blue-collar and white-collar workers are organised according to the various economic or industrial sectors.

Confederations for university graduates are organised according to higher education degrees and professions (engineers, architects, lawyers, economists, etc). These organisations are at the same time working as trade unions and as professional associations. P&MS are mainly members of the white-collar and university graduates confederations.



These qualifications structures are particularly developed in Scandinavian countries, such as Denmark, Finland and Sweden:

- ▶ in Denmark, there are three umbrella confederations. P&MS are primarily covered by two of them in affiliated trade unions. One independent association for P&MS also exists;
- ▶ in Finland, there are three confederations, of which two represent P&MS. The ‘white-collar confederation’ is organised in a way combining sectors and professions;
- ▶ in Sweden, there are three central confederations, of which two represent P&MS. There is also one independent organisation for P&MS.

In addition, this approach has shaped various unions in some other countries:

- ▶ in Norway, the link with the levels of qualifications is weaker than in other Nordic countries and there are four trade union confederations: two mainly organised by sectors and two mainly organised by professions. Most P&MS are in their affiliated unions. In addition, some P&MS are members of independent unions;
- ▶ in Estonia, there are two main confederations with several affiliated trade unions. One, primarily for blue-collar workers, is mainly based on sectors and the other one is more professionally oriented. P&MS are affiliated to these confederations according to their sector or profession. Outside the confederations there exist some small autonomous trade unions;
- ▶ in Hungary, P&MS are represented in all six main confederations. Five of these confederations unite various categories of employees and one organises higher graduates.

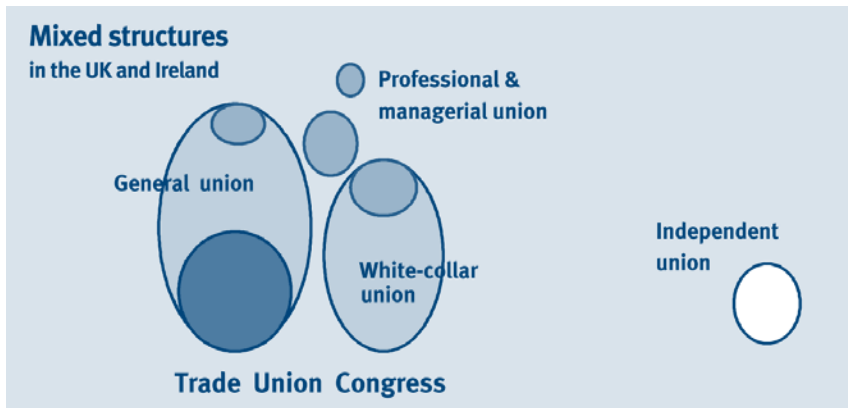
### 2.1.3. MIXED STRUCTURAL PROCESSES

Another approach has affected trade unions which were originally based on trade or occupation in some countries. Progressively these unions have moved in order to enlarge their membership and they have accepted other groups as members. More recently they have merged.

#### **Mixed structures:**

As a result of these changes, a large variety of types of structures coexist, and particularly P&MS can be trade union members through:

- ▶ P&MS unions, or
- ▶ P&MS structures within white-collar unions, or
- ▶ P&MS structures within general unions



This is particularly the case in the UK and Ireland:

- ▶ in the United Kingdom, most unions are affiliated to one central organisation. A large number of them bring together P&MS with other employees or specifically organise P&MS;
- ▶ in Ireland, the organising process is relatively similar but the central organisation includes unions based in Northern Ireland and in the Republic of Ireland as well as some unions based in Great Britain, with membership in Ireland.

**This brief typology gives an idea of the large variety of processes** leading to the various trade union structures. Not only is there a large variety of structures, but in addition they move. Structures are not rigid, but change accord-



ing to the increase in qualification levels and the changes in companies, in the economy and in society as a whole. Collective agreements are also moving, often including more individualised processes. The fields taken into account and the services provided are also moving, with growing importance attaching to international aspects, particularly the European dimension.

In addition, **national EUROCADRES committees** have been set up, at national level, in a number of European countries, in order to bring together the various *EUROCADRES* member organisations from the country.

## 2.2. TRADE UNION DENSITY

The number of P&MS members of a trade union varies from one country to another, and from one sector to another. The trade union density for P&MS is related to the history and the culture and depends on the general trade union density in the country and sector. In addition, trade union density is higher when P&MS have specific trade union structures able to take into account their needs. The trade union density is related to the place of P&MS in companies, the practical roles played by unions, the services they are able to provide and their capacity to adapt to the evolving economic and social background.

Comparisons are not always obvious: for example in the Nordic countries some unions are active at the same time as trade unions and as professional associations. In other countries, professional associations and unions are distinct organisations.

On average, the rate of unionisation of P&MS in Europe is around 20% to 25%, but there are huge differences between countries. It is possible to identify roughly 4 groups:

- a. the highest trade union density for P&MS, more than 70%, in the Nordic countries: Denmark, Finland, Norway, Sweden;
- b. a high trade union density for P&MS, from 30% to 70%, in Belgium, Austria and Portugal;
- c. a moderate trade union density for P&MS, from 15% to 30%, in Ireland, the Netherlands, Greece, Luxembourg, Italy, Hungary, Romania, Estonia and the UK;
- d. a low trade union density for P&MS, from 5% to 15%, in the Czech Republic, Germany, France, Bulgaria, Spain and Poland.

In the last few years P&MS trade unions have had to face important changes with moving company structures, privatisations and the development of the number of SMEs. In a number of cases, trade unions have had difficulties in coping with rising unemployment, the spread of flexible employment contracts, the decentralisation and individualisation of pay bargaining and various kind of deregulation. In Central and Eastern European countries, trade unions have faced key challenges for their future and it has not been easy to take into account the new roles of P&MS in these processes.

It is particularly difficult to foresee any trends for the future. A number of initiatives are implemented in order to reverse the decline or improve the increase in the membership with the servicing and the organisational approach to recruitment of members. Especially attractive to potential members are new services related to work and the workplace (career advice, legal advice, professional services, etc). The organising approach tends to intensify links between members and unions and to involve more members in union activities. The present financial, economic and social crisis is another challenge that trade unions have to face. Against this background, P&MS, with their individual and collective abilities, their expertise and their capacity to think up and to prepare proposals, should certainly continue to play important roles in their trade unions.

## 3. P&MS in social dialogue and collective bargaining

### 3.1. SOCIAL DIALOGUE

In all European countries there are forms of social dialogue. It is possible to identify:

- ▶ tripartite social dialogue (involving trade unions, employers and public authorities),
- ▶ information and consultation processes in various ways,
- ▶ bipartite negotiations or collective bargaining<sup>3</sup> (between trade unions and employers).

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3 The ILO 'right to organise and collective bargaining' convention describes collective bargaining as: 'voluntary negotiation between employers or employers' organisations and workers' organisations, with a view to the regulation of terms and conditions of employment by collective agreements'.

Social dialogue consists of labour and employment policy and socio-economic matters, vocational education and training, social security management and provisions, working life, insurance and pensions, health policy and so on. Here we will focus on the various developments involving representatives of P&MS except those related to collective bargaining, which will be covered under 3.2.

Most countries operate the tripartite social dialogue involving trade unions, employer representatives and public authorities, in one form or another: economic and national committees, consultation bodies, *ad hoc* groups. Usually P&MS are represented in general bodies with other groups of employees, whether with a specific place or not. For example there are specific seats for unions representing P&MS in the French Economic, Social and Environmental Committee; there is a particular consultation committee for P&MS in Belgium involving P&MS unions and employers under the auspices of the Labour Ministry; there is a tripartite special body dealing with P&MS issues in Hungary.

Social protection is an important issue for unions in general. More precisely, P&MS unions are involved in the follow-up and management of pensions schemes in various countries. For employment matters, P&MS have developed various services for those who are looking for a new job, either directly, as in the UK, or through a joint body involving P&MS unions and employers' representatives, as in France.

In the field of higher education and training, P&MS unions are involved in many committees and bodies concerning universities, training centres, and accreditation systems for programmes and diplomas.

At company level, unions are involved in various ways in industrial relations systems. Like other employees, P&MS are represented through their union in works councils, health and safety committees and other bodies, and in some countries, they have specific seats or bodies for information and consultation processes with the employers, particularly in Belgium, France and Germany.

### **3.2. COLLECTIVE BARGAINING**

In Europe, collective bargaining is conducted in an autonomous way. That means that collective agreements are seen as sources for the free definition of wage policies and working conditions, with three main principles:

- ▶ freedom of association,
- ▶ presence of collective parties,
- ▶ normative function of collective agreements (for the parties involved and in some cases a generalised enforceability through legislation or other legal measures).

There is a huge variety of collective agreements. In some countries, there are agreements covering a sector, a branch or parts of a branch represented in an employers' association. In other countries, in particular in Central and Eastern Europe, the majority of collective agreements are company-based. Collective agreements also vary widely in terms of their contents. Wage schemes may be included or not. Even in those agreements defining wage tables they may not be relevant for professional and managerial staff, because they have their individual wages defined in the personal working contract, normally confidential and not transparent to representatives of trade unions.

In the majority of European countries, P&MS are involved in collective bargaining and covered by collective agreements through their unions, like other employees. In a few countries, they are mainly excluded from these processes. However, in both cases P&MS may be concerned by some particular provisions in general agreements or in particular P&MS agreements.

### **3.2.1. P&MS GENERALLY EXCLUDED FROM COLLECTIVE AGREEMENTS**

Into this group fall the main countries where the definition of P&MS is seen with excluding consequences.

In Belgium, collective bargaining takes place at national, sectoral and company level. The sectoral level has been considered as the most important. The situation of professional and managerial staff differs from one sector to another. In the private sectors, P&MS staff are generally not covered by collective agreements and they are protected only by the labour code and by some provisions negotiated in individual employment contracts. In the non-commercial sectors (para-public services including hospitals), P&MS are generally covered except as regards working time. The coverage of collective agreements for P&MS is very low on average.

In Luxembourg, only public sector P&MS appear to be covered by collective agreements. Labour law has excluded them from collective agreements in the private sector since 1965, which makes it difficult to extend the cover of these agreements to managerial staff, especially high-ranking staff.

In the United Kingdom, the working time directive was transposed into law later than elsewhere in Europe. Though helpful in reducing P&MS hours actually worked, the use in the legislation of a definition excluding P&MS remains a source of confusion and potential weakness. Professional staff are more likely than other employees to be members of a trade union, and, where recognised by the employer, are likely to be covered by a collective agreement limited to P&MS, either nationally, as in teaching, or at the level of the company or undertaking in the privatised sector. With the growth of individual contracts and the reduction of coverage by collective agreements, the TUC has helped P&MS unions develop a code of conduct, covering issues such as mobility and professional development.

### **3.2.2. P&MS GENERALLY COVERED BY COLLECTIVE AGREEMENTS**

In most countries, P&MS are covered by collective agreements, in the same way as other employees, and are involved in collective bargaining either through general unions or through P&MS unions. Top managers are frequently excluded and P&MS may be excluded for some issues and benefit from specific provisions on some other aspects.

It is mainly the case in a large number of countries: Austria, Bulgaria, Croatia, Cyprus, the Czech Republic, Denmark, Estonia, Finland, Latvia, Germany, Greece, Hungary, Malta, the Netherlands, Norway, Poland, Portugal, Slovakia, Slovenia and Spain. However, coverage remains very different from one country to another. These countries have often been characterised above by the absence of a clear definition of P&MS (in either excluding or specific terms). This has a significant effect on collective bargaining. The absence of an excluding law, and a specific law *a fortiori*, enables professional and managerial staff to be covered by general collective agreements. Though this is an improvement on exclusion, this general application of collective agreements to P&MS seldom offers them any specific additional advantages (such as training, mobility or supplementary pension schemes).

There are sometimes additional agreements in certain countries, but these may be limited to certain sectors or enterprises. This is the very much the case in Austria, but also occurs in Greece.

Although collective agreements cover P&MS generally in these countries, there remain considerable differences. In the Netherlands and Austria, P&MS are more or less systematically covered by collective agreements established either for all employees or for white-collar workers in the broad sense. In

Portugal, however, this cover is dependent on the readiness of the sectors concerned and the strength of the unions, whilst in Finland it varies by sector and is faced with the growing exclusion of high ranking civil servants.

It should be noted that some categories of P&MS can be excluded in Germany. In this case exclusion may be either voluntary or automatic (*'Ausser tarifliche Angestellte'*). P&MS may opt for voluntary exclusion when signing employment contracts, whilst automatic exclusion is based on collective agreements which set out certain parameters which justify the exclusion of managerial staff. However, other advantages are usually offered to staff who opt to be excluded from collective agreements (supplementary retirement pensions, bonuses etc).

The situation in Denmark differs from the previous countries. Here, P&MS are usually covered by collective agreements in the public sector, and unequally in the private sector. However, in the public sector, specific negotiations can be added to general agreements, particularly for P&MS. In the private sector there is a growing trend for separately negotiated contracts.

Generally, these agreements are established at national (inter-sectoral) level, at industry (sectoral) level and/or at company level. In the private sector, a clear shift from industry level to company level has occurred in recent years.

### **3.2.3. P&MS BENEFITING FROM SPECIFIC AGREEMENTS**

In some countries, there is a mixed situation: P&MS are covered by collective agreements but this may be either by general agreements (including other categories of employees) or by specific agreements for P&MS. In addition a general agreement may include specific provisions, or specific appendices for P&MS.

In France, branch (sectoral) or enterprise agreements normally include sections applying specifically to P&MS in the form of special clauses or a special appendix. In some sectors, additionally, specific agreements for P&MS have been established in parallel with those covering other categories of employees. In 1947 a collective agreement, which continues to work, established the AGIRC scheme to provide supplementary pensions for P&MS and similar staff.

In Italy, agreements relating to professional and managerial staff are based on the legal definition of *'Quadri'* dating from 1985. Many specific agreements for P&MS now supplement the general agreements, which nevertheless continue to apply. The common practice now indicates that apart from these general

agreements, special agreements offer P&MS additional advantages. These agreements cover *inter alia* questions such as training, mobility and working time. They cover certain sectors, and are a result of the law on 'Quadri' and action by Italian managerial trade unions.

In Sweden, collective agreements for P&MS exist in some national branches and cover everybody except top managers, who are also excluded from both labour laws and collective agreements. This system leads to agreements at local level. These collective agreements concern all areas such as salary, working time, pensions and general conditions.

### 3.3. INDUSTRIAL CONFLICTS

In almost all countries, industrial conflicts have occurred during the last few years. The scale and intensity of these conflicts vary and in Malta and in Sweden no major conflicts have been reported since 2005.

Reasons for industrial conflicts mostly concern working conditions and workload, as well as wages. Disputes about pension systems, outsourcing, restructuring and education budgets are also causing conflicts.

There are different forms of industrial actions inside and outside companies: petition, protest, demonstration, etc, and while a strike is the most visible, it is not the only way for industrial action. It is often more difficult to go on strike in private companies, and new discussions have taken place concerning the right to strike in the public sector. P&MS are frequently involved in various industrial actions even if they are often reluctant to take part in strikes, particularly in countries with a high level of social dialogue such as Austria and Belgium. However, in many cases, a significant number of P&MS have not only taken part in general strikes but actually organised strikes by themselves too.

In particular, sizeable strikes organised by P&MS have taken place in Bulgaria (teachers), the Czech Republic (kindergarten and teachers), Finland (design and consulting sector), Germany (medical doctors at university hospitals, airline pilots), Poland (teachers, public healthcare physicians), Slovenia (doctors, judges) and Spain (pilots, doctors).

### 3.4. SOCIAL DIALOGUE AND COLLECTIVE BARGAINING AT EUROPEAN LEVEL

At European level, since its creation in 1993,<sup>4</sup> *EUROCADRES* has been representing P&MS in the European social dialogue. This process is conducted in co-operation with the ETUC (European Trade Union Confederation), which represents all categories of employees.

This European social dialogue includes:

- ▶ regular information with the European institutions (Commission, Council, Parliament);
- ▶ meetings with European employers' organisations;
- ▶ compulsory consultation by the European Commission on social issues (according to Art. 137 of the Treaty);
- ▶ negotiations with employers in order to adopt framework agreements and other tools (such as frameworks of action, guidelines, joint opinions, etc);
- ▶ involvement in various committees such as the social dialogue committee (involving the Commission, trade unions and employers' organisations), the tripartite social summit for growth and employment (involving the Council, the Commission, trade unions and the employers' organisations), the pension forum (involving the Commission, EU member states, pension institutions, trade unions and employers' organisations), etc.

There are also important developments, in which P&MS are involved, concerning the European social dialogue at sectoral level and concerning European works councils in many transnational companies.

The purpose is to make progress on key issues that are particularly important for P&MS such as: employment, conditions for mobility, recognition of qualifications and diplomas, education and lifelong learning, equal opportunities, working conditions and working time, etc.

*EUROCADRES* is recognised as a European social partner. In the negotiation process *EUROCADRES* puts forward P&MS approaches, demands and proposals. On some issues *EUROCADRES* makes sure that specific provisions are stated for PMS: this has been the case, for example, with specific statements concerning P&MS in the framework agreement on part-time work and in the framework for action on gender equality. On some other issues, *EUROCADRES*

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<sup>4</sup> Since 1999 the 'CEC-European managers' has been taking part in the process through a joint agreement between *EUROCADRES* and the CEC.



prefers to ensure that the situation of P&MS is taken into account in more general provisions: this has been the case, for example, in the framework agreement on teleworking.

When these agreements are implemented into national laws or agreements it is an opportunity for *EUROCADRES* national member organisations to strive to get them brought properly into play against the various national backgrounds.

Areas such as the quality of higher education and training, access for all, and genuine mutual recognition of qualifications and diplomas are crucial objectives for P&MS. For these reasons *EUROCADRES* is very active in the area of education and training and is a partner of the Bologna process aimed at creating a European higher education area.

## 4. P&MS: new trends

The work environment is evolving. P&MS are confronted with changing work and labour conditions. They represent a growing part of the workforce with an distribution between men and women. Their level of qualifications is increasing, with degrees and diplomas becoming more and more important. They have to reinforce their employability and more than in the past they have to face job insecurity and unemployment. Against this background, there is a tension between guarantees provided by collective agreements and individualised processes.

### 4.1. A GROWING GROUP

P&MS represent a **growing part of the European workforce**: 19 % of employees in the enlarged EU belong to ISCO 1 and 2 occupational categories. One in three P&MS works in the public sector. Many are employed in the not-for-profit sector of health and social services. Within the category of professionals, more than 40 % works in the public service<sup>5</sup>.

**The proportion of women P&MS** is on average 46% in the EU-27 countries, which is a high figure. This figure, however, conceals a remarkable inequality

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<sup>5</sup> See also “P&MS in Europe, labour market position and unionism” report by Guy van Gyes in Organising P&MS, *EUROCADRES*, 2005.

within the ISCO-1 managerial group. In this category only 34% of the workforce are female. Although the group of women P&MS is rising, the conclusion is still valid that a lot of these female P&MS occupy the lower-level and least secure occupational niches. This fundamental inequality is complemented by other injustices; in particular, the gender pay gap is still very serious within the P&MS group. Another element is that a lot of these female P&MS work part-time. It is nevertheless true that the higher the level of education the narrower the gender gap.

## 4.2. INCREASED LEVELS OF QUALIFICATIONS

Another trend within the P&MS group is a higher level of qualifications. Degrees and diplomas are becoming more and more important in obtaining a professional or managerial post.

The main characteristic of the job is **the high level of knowledge or expertise** required for the job. This ‘professionalisation’ makes autonomy at work and skills enhancement/usage important issues. Education and lifelong learning are issues that European trade unions are addressing ever more frequently. As a result there are fewer possibilities for vertical career mobility in a company. This means that it is less likely that P&MS started their careers on the unionised shop floor before being promoted within the company. The ever-changing requirements for expertise mean that older workers are in greater danger of being made redundant.

In recent years, within the context of the knowledge-based society, highly qualified business services and scientific and research activities have been important areas for employment growth for P&MS. This trend is likely to continue in the future, especially if the EU Member States keep their promise to increase their R&D spending to 3% of GNP.

## 4.3. NEW RESPONSIBILITIES

The responsibilities of P&MS vary within companies in the technical, economic and social fields. But companies cannot exist in isolation, and their environment reflects back the consequences of their activities. Developments related to **Corporate Social Responsibility** (CSR) have come at a time when the interaction between company policies and their environment (political, economic, ecological, cultural, social etc) is receiving ever keener attention.

A number of initiatives have drawn attention to 'corporate citizenship'. The measures implemented have varied: social impact assessments, internal or external social audits, charters, codes of conduct, labels (sometimes linked with fair trade campaigns), rating agencies, etc. The multiplicity of approaches thus generates confusion. There is a risk that such a broad conception of CSR could serve to mask deceptive marketing projects or campaigns in self-justification.

These developments have enlarged the scope of responsibilities of P&MS within the context of tensions between various managerial approaches: particularly traditional models based on shareholders' values, and the **European model of management** taking into account some aspects of the European culture (solidarity and social protection systems, the role of public services, recognition of trade unions, the role of collective bargaining, rules for information and consultation of employees). Among key elements supported by *EUROCADRES* in its campaigns for 'responsible European management' there are the need for transparent mechanisms, involvement of all stakeholders and integration of CSR in management approaches.

#### 4.4. INSECURE WORK ENVIRONMENT

In the past, the P&MS group was seen as an occupational group with a high job security status and the possibility of having a lifelong career working for the same employer. As a result of corporate restructuring, flexibility and overall unemployment, this type of job security and career stability is no longer the case for all professional or managerial employees in EU Member States. Although the group still has – relatively speaking – a more favourable labour market position than most other workers, unemployment or feelings of job insecurity are also patterns which are a part of the career of a noticeable minority of P&MS in Europe today.

The deregulation of labour markets has led to a growing proportion of workers in a range of **atypical employment situations**, such as temporary employment. When we look at the growing group of P&MS in Europe, we see that this occupation group is also increasingly affected by this trend. Fixed-term contracts (for a period of time or for a specific task) represent 15 % of the work in the ISCO-2 group and 8% in the ISCO-1 group.

What are the consequences? A study for the UK has revealed in any case that P&MS on non-standard contracts do become marginalized in terms of training

opportunities and consultation at work and that these outcomes are especially strong in the case of women<sup>6</sup>.

In the European Social Survey, 20-25 % of the P&MS questioned state that they have been unemployed and seeking work for more than three months in their career<sup>7</sup>. In response to the question ‘Is it, in your opinion, easy to find the same or a better job somewhere else?’ the answers given by P&MS were not simply Yes or No but somewhat more complex. Large regional differences can be detected in these answers about possible employability. P&MS in the Central and Eastern regions have a much more pessimistic view about their employability chances elsewhere. Professionals on average also have a more sceptical opinion about their opportunities for easily finding a better or similar job.

**Young people are particularly affected.** Youth unemployment remains almost twice as high as adult unemployment. Most young qualified people still find it difficult to find work and even if they are successful, they often have only temporary contracts and undertake tasks that do not correspond to their qualifications. Many young people experience precarious conditions of work (falling wages, considerable insecurity, poor employment prospects, and the impact of atypical forms of work). The integration of young people into the labour market at the present time is characterised by intermittent employment, high turnover rates and prolonged uncertainty. The problem is therefore not only confined to a lack of job opportunities, but also includes the nature of the social and occupational sectors into which young people are moving.

As regards atypical forms of employment, part-time work and temporary contracts have become an important norm for young professionals (younger than 30). In the European Social Survey data of 2006, almost 30% of the young P&MS work with a fixed-term contract, 1 in 5 works part-time and the same degree has experienced already unemployment of longer than 3 months.

## 4.5. FLEXIBILITY AND INDIVIDUALISATION

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6 Hoque, K.; Kirkpatrick, I.(2003)., “Non-standard Employment in the Management and Professional Workforce: Training, Consultation and Gender Implications”, *Work Employment and Society*, Vol.17 (4), pp.667-689.

7 European social survey, 2006, round 3, weighted data of the following participating countries: AT, BE, CH, DE, DK, EE, ES, FI, FR, GB, HU, IE, NL, NO, PL, PT, SE, SI, SK. R Jowell and the Central Co-ordinating Team, European Social Survey 2006/2007: Technical Report, London: Centre for Comparative Social Surveys, City University (2007).

The growing trend towards flexibility and its impact on labour market is a much debated issue in Europe. The deregulation of labour markets has led to a growing proportion of workers in a range of atypical employment situations with individualised provisions. The group of P&MS is particularly affected by this trend towards flexibility and individualisation. There are three main trends: individualised provisions in collective agreements, individual employment contracts and the growth in self-employment.

#### 4.5.1. INDIVIDUALISED PROVISIONS

For employees covered by collective agreements, a number of provisions are no longer regulated by the collective agreement but are individualised. P&MS are particularly affected by such provisions.

Against the background of work intensification and an important overload affecting a number of P&MS, **working time** is a sensitive issue, particularly with the individual opt-out authorised under Article 18 of the 1993 European Directive, whose revision is still under discussion in the European Parliament and the Council.

Very often the usual work organisation does not count the working hours of professional and managerial staff but is more focused on tasks, deadlines and results. This leads to new developments such as:

- a) the so-called all-inclusive wages, compensating with one monthly sum any working time including overtime, time on business trips etc, with the problem of transparency regarding fairness and potential pressure to put in more and more work;
- b) the so-called trust working time: the employer does not count or even care any longer about the time but only makes commitments about task deadlines and results, the professional or manager is completely autonomous in terms of how to fulfil the commitments; these processes require a high degree of mutual trust and responsibility.

Concerning **pay flexibility**, for a number of P&MS a more or less important part of their income is based on variable pay systems such as piece rate earnings, bonuses or profit sharing.

This individualisation may or may not be the subject of individual contracts, and may or may not be defined or controlled by the rules negotiated and established in collective agreements. In the case of individualised provisions, P&MS trade unions have carried out **initiatives aimed at controlling the phe-**

**nomenon and providing advice.** They try to bring these provisions as much as possible under the control of collective agreements, and to achieve transparency, defined rules, measures for monitoring and assessment, and appeals procedures. Trade unions have also developed advisory services in various forms in different countries and sectors, so that their members do not have to face the individualisation process alone.

#### **4.5.2. INDIVIDUAL EMPLOYMENT CONTRACTS**

Such individual employment contracts generally set out the details of the task to be performed; the parties agree a deadline and the basic remuneration. The rest is silence. This is a shadowy zone halfway between employment and self-employment. However, signing an employment contract does give access to the minimum legal protection enjoyed by employees.

The development of individual contracts appears to be the most difficult to assess. This seems to occur in all countries, but to a widely varying extent. This kind of individualisation is particularly strong in Austria and Sweden (extra benefits in return for increased responsibilities), Ireland (in the case of fixed-term contracts lasting less than a year), Denmark and Sweden (exceptions tolerated in collective agreements). In the United Kingdom, the practice of de-recognition of trade unions by companies also leads to the individualisation of contracts and the disappearance of collective agreements. However, this is not a phenomenon which affects only professional and managerial staff; all British employees are involved.

#### **4.5.3. SELF-EMPLOYMENT**

A worker is described as self-employed and is no longer bound by a contract of employment but by a contract for services. Former employees can become quasi-entrepreneurs with a single client, their former employer. But they work outside the company and are no longer covered by collective agreements. Furthermore, they are frequently regarded as businesses for the purposes of social security (sickness insurance, unemployment, pensions) and tax.

There are two main approaches with regard to this kind of new self-employment. The first strand speaks about the new ‘portfolio’ worker. This is typically a highly-educated professional. This new kind of ‘portfolio’ self-employment is defined as a worker who holds multiple jobs or contracts with multiple companies and who flexibly exploits a unique set of skills and abilities in each employment situation. It is claimed that these workers aspire to be masters

of their own destiny because they put greater personal emphasis on the importance of autonomy, entrepreneurial risk-taking and other non-pecuniary aspects of work. In contrast, the second approach argues that the new kind of self-employment is mainly determined by large companies evicting staff and favouring freelance or subcontracted labour as opposed to permanent contractual arrangements. This point of view suggests that the new self-employed are largely ‘economic refugees’ unable to find permanent employment. As a result these ‘marginalized’ self-employed experience low and variable earnings and would choose to return to employee status if they had the opportunity.

Whereas self-employment of young professionals, in particular within research and development projects, often has the impact of precarious working conditions, there is also the model of self-employed managerial work under good conditions, with good income but autonomous status, for instance as interim managers or project managers for special tasks. In Austria the social partners have founded a specific agency organising so-called task management.

The growth in self-employment and freelance work is mentioned in all European countries. However, it is yet more worrying in certain countries. Self-employment among P&MS is growing rapidly, particularly in Greece.

In the Netherlands, the growth in numbers of ‘*zzzpers*’, self-employed people with no employees, is particularly marked among the new professions, such as computer specialists. Their situation with regard to traditional trade unions is still unclear.

In France, the special case of freelance professionals with employee status should be mentioned. This relates in particular to journalists and professionals in communications and entertainment.

The Italian ‘*parasubordinati*’ and the new ‘*contratti di collaborazione a progetto*’ should also be noted. This new form of employment has features of both employment and self-employment. Independent working, individual responsibility and the extreme individualisation of salaries, bonuses and working time go hand in hand with a signed contract and social cover (except pensions) which recall those of standard employment. It is estimated that some 10% of employees are now working in this way in Italy, with rapidly increasing numbers of P&MS involved. Three mainstream Italian trade unions, the CGIL, CISL and UIL, have set up representational bodies for ‘*parasubordinati*’ alongside the structures for regular P&MS.

The Spanish trade union UGT has also set up a special body for independent workers (liberal professions and self-employed) in response to the current growth in this form of employment.

The Belgian trade unions have campaigned against the phenomenon of ‘false self-employment’, and would like to see legislation to protect the self-employed from forming hierarchical and dependent links with the contractor initiating the transaction, which could amount to *de facto* employment. In such cases, the law could regard the self-employed person as an employee of the company originating the order.

In many countries, the practice seems to affect P&MS disproportionately. Furthermore, public policies, including those at European level, to encourage entrepreneurial activities, plus the practice of outsourcing by major companies, can only help foster the growth of forms of self-employment.

One of the major problems is the trade union representation of these workers: should they be regarded as employees or as entrepreneurs? The first option seems to correspond more to the reality, given the dependent relationship between the contracting company and the self-employed person. It is essential to expose the hierarchical link in order to prevent false self-employed status growing further.

## 5. Conclusion

We have identified a number of characteristics and trends that affect professional and managerial staff in Europe today. Despite the differences brought to light by this comparative study, major common features emerge.

Firstly, P&MS form a recognised and identified group, *inter alia* in European statistics. Their significance cannot be ignored in the European workforce, since they represent an average of 19.3% of employees and more than 25% in some of the countries studied. As a proportion of the workforce, they have increased steadily in recent years. However, the study reveals that national statistical systems must be better co-ordinated for an evaluation of professional categories.

Legal definitions of P&MS are often imprecise, and generally depend on the concept of autonomous powers and levels of education. This means that in



most European countries, it is the provisions and definitions contained in agreements which have to be considered.

Their qualifications, their capacity for initiative and the exercise of their responsibilities are key factors in their professional identity. These abilities are both individual and collective, and their expertise and their capacity to think up and to prepare proposals have taken on important roles for the development of the trade union representation of P&MS, influenced by history and traditional relationships in each country. It should be stressed that the legal and contractual advances in countries are to the credit of P&MS trade union organisations.

Finally, individualisation is a fast-growing phenomenon which is challenging the role of collective bargaining and collective agreements. If this is true for employees as a whole, then P&MS are most affected, which is encouraging their organisations to attempt to influence this process.

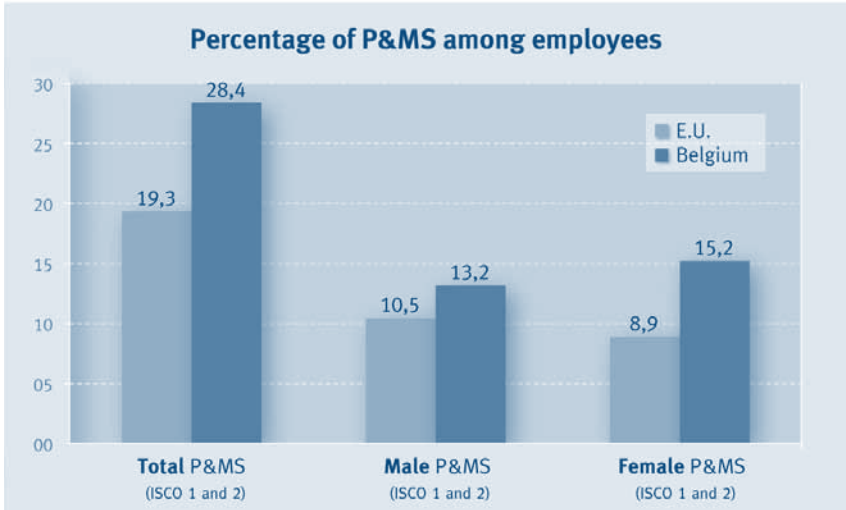
This overall view of the situation of professional and managerial staff calls for trade union intervention, *inter alia* through legislative or contractual measures. Many of the problems are common to different countries, which makes it clear that national organisations need to enhance their co-operation throughout Europe.



[ Chapter 2 ]



# Belgium



In Belgium 1,059,000 P&MS correspond to 28,4 % of employees  
 (Source EUROSTAT, labour force survey 2007)

## ► I. Definition

Belgium public authorities, but also the trade unions, use various methods and criteria to classify and describe the group of P&MS called *cadres/kaderleden*. In regard to the general rules of labour law, *cadres* are white-collar workers. Apart from civil servants, there is only one distinction regarding status under Belgian law: blue-collar (*ouvriers/arbeiders*) and white-collar workers (*employés/bedienden*), with professional and managerial staff all falling into the second category.

The *cadres* are recognised specifically only by the legislation relating to the social elections (law of 22 January 1985 and implementing decrees), which ensures them specific representation in certain sectors. However, this legislation contains no definition of who is to be defined as *cadres* in these elections, which are held to elect the employee representatives in the information and consultation bodies at the workplace (works council and health and safety committee).

In addition, many employers tend unilaterally to apply the idea of ‘staff in a position of confidence’, a concept going back to 1965. A staff member occupying

such a position should enjoy the total confidence of his employer, given the nature of the position and the confidential character of his mission. The list of job titles in the 1965 decree has never been updated, so the law in this area necessarily contains conflicts. Belgian law on working time does not apply to people in this kind of job or in management positions. This has encouraged many businesses to classify an increasing number of their white-collar workers as *cadres* in order to exclude them from the application of the working time legislation. The transposition into Belgian law of the European Directive on working time (23 November 1993) stimulated a debate in this regard which still continues.

## ► II. Trade unions

### 1. P&MS UNIONS

Each of the two major trade union confederations has specialised branches for *cadres* within the larger white-collar unions. These special branches operate only in the private sector.

In the *Confédération des syndicats chrétiens – CSC/Algemeen christelijk vakverbond – ACV*, there are two specialised branches for professional and managerial staff and white-collar workers, each belonging to a linguistic community: the French-speaking *Centrale Nationale des Employés – Groupement National des Cadres – CNE-GNC* and the Dutch-speaking *Landelijke Bedienden Centrale – Nationaal Verbond voor Kaderpersoneel – LBCNVK* forming the first constituent CSC branch at national level. The number of members is rising rapidly, revealing the particular interest among professional and managerial staff and white-collar workers in the presence of trade unions in their company.

The *Fédération générale du travail de Belgique – FGTB/Algemeen belgisch vakverbond – ABVV* has a national branch for professional and managerial staff and white-collar workers. This is known as the *Syndicat des Employés, Techniciens et Cadres – SETCa* in French, or the *Bond voor Bedienden Technici en Kaderleden – BBTK* in Dutch. It is a nationally-organised trade union branch (unlike the Christian trade union).

The liberal trade union, *Centrale générale des syndicats libéraux de Belgique – CGSLB/Algemene Centrale der Liberale Vakbonden van België – ACLVB*, particularly represents professional and managerial staff in the financial services sector (banking, insurance, etc).

Finally, there exists another trade union organisation, the *Confédération Nationale des Cadres –CNC/Nationale Confederatie voor Kaderpersoneel – NCK*. This is a specific P&MS organisation not affiliated to any of the three main trade unions. Under Belgian law, it is permitted to sign Collective Labour Agreements (*Conventions Collectives de Travail – CCT*), but only at company level. It has no seat on the consultation bodies (the *Conseil National du Travail*, etc). The same is true of the ‘company unions’ (independent lists) for professional and managerial staff which exist in some large firms without any external links.

## 2. REPRESENTATION

The rate of unionisation of professional and managerial staff is estimated at 30%, well below the Belgian average (53%), but rising.

Workplace representation operates through three separate channels. The whole workforce is represented by the works council (*Conseil d’Entreprise/Ondernemingsraad*). There are separate committees for health and safety. Members of both groups are elected in nationwide social elections every four years. These elections are important occasions for trade unions to present themselves distinctively to the rank and file and to reaffirm their legitimacy. Only representative unions can field candidates for these groups. Trade unionists are further represented by the trade union delegation (*Délégation Syndicale/Syndicale Delegation*). Within the works council, a separate professional and managerial college can be set up (threshold of 25 *cadres* in the establishment).

**TABLE:** *Results elections works councils 2008, categorie of ‘cadres’, % of votes and seats*

	Votes	Seats
ACV-CSC	43.2%	47.0%
ABVV-FGTB	23.4%	22.5%
ACLVB-CGSLB	14.7%	11.2%
CNC-NCK + individual company lists	18.7%	19.3%

Source: FOD WASO, calculation HIVA-K.U.Leuven

### 3. SERVICES AND ACTIVITIES

In professional and managerial trade unions, a personalised approach is more often taken because of the particular situation of professional and managerial staff in collective agreements. It is a matter of supporting employees within enterprises, collectively or more often individually.

► *Collective support:*

Collective support is organised at company level or in bargaining/negotiations at national or sectoral level. In national and/or sectoral negotiating bodies, national and/or sectoral trade unions represent the interests of the professional and managerial section. However, if the issues discussed at a meeting are of direct interest to professional and managerial staff, their sections are directly represented, replacing the national union headquarters.

► *Individualised support:*

*Legal assistance* is provided for all questions regarding the contract of employment and problems at sectoral or enterprise level. If necessary, a professional and managerial trade union can contact the employer direct to reach an amicable solution or, in extreme cases, take the case to the labour tribunal and/or the court of appeal.

*The salaries service* carries out studies and evaluations of the pay of professional and managerial staff. Since they are generally excluded from the Belgian wage classification system, these studies provide professional and managerial staff with information for use during direct negotiations with employers.

*Contract assistance* offers professional and managerial staff an advisory service on the form of employment contract which they are being offered, which is of help during negotiations with employers.

Finally, *the education and training service* offers basic training on consultation or social legislation.

### 4. OTHER PROFESSIONAL ORGANISATIONS

There are also professional organisations, such as the engineers' organisations (*Fédération royale d'associations d'ingénieurs civils et d'ingénieurs agronomes* – FABI, *Association Royale des Ingénieurs*, *Koninklijke Vlaamse Ingenieursvereniging* – KVIV, *Union fédérale des Associations d'Ingénieurs industriels de Belgique* – UFIIB, etc), or journalists' bodies (*Association générale des Journalistes professionnels de Belgique* – AGJPB). The healthcare sector is likewise known for a range of professional associations. These associations play a role in professional training and recognition. As such, they are

sometimes involved in accreditation matters and boards (cf. healthcare sector). However, it is only in the public sector that these types of professional associations are more involved in defending collective interests by negotiation and bargaining over pay and other labour conditions (cf. the Ministry of Finance, the police). In other sectors, a form of ‘modus vivendi’ rules between these ‘associational’ types of professional organisations and trade unions (for example, in the airlines, between the pilots’ association BeCA and the unions).

## ► III. Collective bargaining

### 1. STRUCTURE OF BARGAINING

Collective bargaining in Belgium is highly structured, with a central level at the top covering the whole of the economy, an industrial level beneath, covering specific industrial sectors, and company-level negotiations at the bottom, although negotiations on pay take place in only some companies. In each case the lower level can agree improvement only on what has been negotiated at the level above. Statutory extension mechanisms are in place.

The State potentially plays a major role in collective bargaining. A 1996 law allows it to link pay increases to the forecast pay trends in Belgium’s neighbours, Germany, France and the Netherlands in order to maintain the country’s competitiveness. The negotiations at national level take place in the context of an official technical report which sets out this forecast, and the government has the power to intervene if the unions attempt to exceed the limit.

At sectoral level, the collective agreements are concluded within the joint committees or the joint sub-committees by all the organisations that are represented by them. There are about 100 joint committees and 75 joint sub-committees. The sectoral collective agreement applies to all the employers and employees covered by the joint committees or sub-committees concerned. Because negotiations at this level implement the framework of the national cross-sector level, it is argued that the sector is the most important bargaining level.

The normal cycle of negotiations is two-yearly, with the national negotiations being followed by industry-level negotiations.

Belgium is one of the few countries in Western Europe that still has extensive automatic index-linking in setting wages. This means that pay and social



security benefits are linked to the consumer price index. The link is intended to prevent the erosion of purchasing power by inflation.

There are no joint committees and collective agreements specifically for *cadres*. There is recognition of P&MS as a trade-union fact in the following sectors: banks, insurance, department stores and the retail business in general/food. In these sectors, as in healthcare, the executives are also *barémisés* (i.e. they have a clear scale of remuneration). In industry, except in certain large companies, this recognition is much more random and is normally refused by the employers' representatives in joint committees. In this situation, demands from P&MS are lodged within the general bargaining process for white-collar employees. As a result, the provisions are included in the employees' conventions.

There are few specific agreements relating to professional and managerial staff in collective labour agreements (CCTs). On the other hand, professional and managerial trade unions sometimes succeed in obtaining agreements in principle which are not covered by royal decree. These agreements are more like guidelines or codes of conduct, and depend upon the goodwill of the employer.

The situation of professional and managerial staff differs, however, according to the sector involved.

- ▶ In the banking sector, professional and managerial staff are included in the national collective agreement (CCT). However, their hours of work are not regulated, since professional and managerial staff have been excluded from the limits in Belgium since 1965.
- ▶ In the industrial sector, professional and managerial staff are generally excluded from CCTs. In chemicals, petrochemicals and the agricultural foodstuffs sector, professional and managerial staff are excluded from the salary scale system. However, there are a number of informal agreements or codes of conduct in many companies in the sector.
- ▶ In the distribution sector, professional and managerial staff are included with white-collar workers in CCTs.
- ▶ In the non-commercial sector, professional and managerial staff are included in the CCT without major problems. It should be remembered that the government is a partner in this sector, subsidised through social security, which includes hospitals, rest homes, retirement homes, approved schools, etc.

## 2. COVERAGE AND TRENDS

The level of collective bargaining coverage specifically for P&MS in Belgium is very low. P&MS are in general covered by the agreements of the white-collar workers. Professional and managerial staff are usually excluded from pay agreements. However, this depends on the sector. Automatic indexation is generally applied. However, where professional and managerial staff are excluded from the CCT, the employer is under no obligation to apply the Belgian scheme for automatic inflation indexation.

Pay and working time flexibility are still the most important issues.

## ► IV. Industrial conflict

Belgian strike activity is today low in a historical context. No specific statistics are available for the P&MS group.

Today, workers' protests are mainly for one of the following reasons:

- Restructuring, downsizing, or plant closures can lead to a company-related dispute. Such conflicts usually end with a social plan, in which employers buy off the redundancies with higher redundancy payments or by giving workers early retirement with a bonus. In recent years, these plans have usually included State-subsidised outplacement measures.
- The second type involves large-scale sectoral actions, mainly in the semi-public sector, such as healthcare, telecommunications or transport. Budgetary constraints and changing working conditions in formerly State-owned sectors are the usual reasons for action of this type.

Very often, *cadres* do not participate in the strikes. However, in recent times, we have seen changes in this regard, for example in a recent dispute within InBev, the Belgian multinational brewery.

## ► V. Social dialogue

The social partners are consulted on several issues in policy making. Because the political structure is complicated, the structures through which this policy consultation is organised are plentiful. At national level, all representative social partners participate in the National Labour Council (CNT/NAR), which

has a general responsibility to give its opinion on matters of social concern to the government or to parliament. However, there are many other groups at national, sectoral and regional levels in which policy consultation takes place, including consulting socio-economic councils at federal and regional levels (for example, CCB-CRB at federal level). The social partners are also more directly involved in the policy-making process by giving them seats, based on a parity principle, on the boards of the bodies for national social security management, vocational training (sectoral training funds), and labour market agencies.

A royal decree on 16 July 1987 established a Conciliation Committee for *cadres* (*Commission de concertation pour le personnel de cadre* – CCC). This body is made up of a president and a vice-president appointed by the Minister as well as representatives of employers' organisations and trade unions. It is composed of a maximum of twelve members named by the Minister from among the candidates on a double list proposed by the organisations representing the *cadres*. The Committee is tasked with issuing opinions, investigating or putting forward legal propositions or other measures on all the matters directly or indirectly related to the *cadres*.

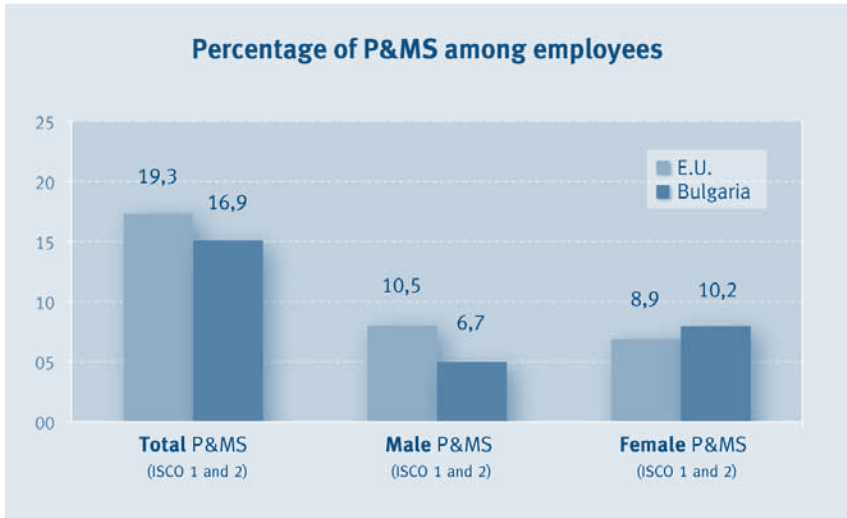
However, its influence is limited. It is the successor of the executive staff college which was created in 1985 by professional and managerial staff in the works councils of companies with more than 15 employees. This Committee is recognised by the Belgian Labour Minister, but not by the Belgian employers' federation (FEB/VBO). The partners in the CCC are therefore the Minister, the three professional and managerial trade unions mentioned, and the CNC (representing individual lists) and on the employers' side, only the shopkeepers and tradespersons (*classes moyennes*). The absence of the Belgian Enterprises' Federation (FEB) prevents this body from concluding national agreements.



[ Chapter 3 ]



# Bulgaria



In Bulgaria 482,000 P&MS correspond to 16,9 % of employees  
(Source EUROSTAT, labour force survey 2007)

## ► I. Definition

In Bulgarian the term ‘employees’ (*slujiteli*), in contrast to ‘manual workers’ (*robotnizi*), encompasses mainly white-collar workers and some public-sector employees (*slujiteli v obshtestveniya sector* or *saeti v obshtestveniya sector*). Professional and managerial staff (*specialisty* and *upravlenski personal*) are thus included in this definition. Civil servants (*durjavni slujiteli*), on the other hand, are covered not by the Labour Code but by the Law for Civil Servants.

Another aspect of definition in distinction to top management is that professional and managerial staff usually have employment contracts, while the likes of chief executive officers, members and presidents of the boards of directors, of managing boards or of supervisory boards have management or control contracts.

In principle, there are no legal limitations on professional and managerial staff with regard to the right to association, to conclude collective agreements, to strike or to engage in any other type of conflict resolution. Furthermore, no limitations concerning information and consultation rights at workplace level exist for professional and managerial staff.

However, there are some peculiarities for some members of the civil service, such as employees in the military, the secret services, the police, etc. Their right to association is enacted in special laws. They also do not have the right to strike, and this is also forbidden for all other civil servants. Furthermore, the Law for Civil Servants does not mention the right to collective bargaining, information and consultation rights at workplace level and different types of conflict resolution.

## ► II. Trade unions

### 1. P&MS UNIONS

In Bulgaria, the trade union environment is characterised by a variety of trade unions and central trade union organisations. The two largest central trade union organisations, the Confederation of Independent Trade Unions in Bulgaria (*Konfederaciya na Nesawisimite Sindikati v Bulgaria/KNSB* – CITUB) and the Confederation of Labour Podkrepa (*Konfederaciya na truda 'Podkrepa'* – CL Podkrepa), are accepted as representative national trade union confederations and cover more than 95%<sup>1</sup> of trade union members. Their affiliated trade unions are organised at company as well as at sectoral level. CITUB has about 34 industry federations, with the teachers' union being the biggest, while Podkrepa has 26 industry federations<sup>2</sup>. Even though the two main trade union confederations co-operate fairly well, there is some competition between affiliated sectoral unions in CITUB and CL Podkrepa.

In addition, some small trade unions that are not affiliated to the two major confederations operate in specific sectors, such as the banking sector, where a lot of professional and managerial staff are employed, or the energy sector.

In Bulgaria, there are no trade unions that specifically organise professional and managerial staff. Thus, P&MS are represented by their respective trade unions in the same way as all other employees. A secretariat in Podkrepa and a liaison committee in KNSB are in charge of P&MS representation.

1 'Representativeness of the social partners: Agricultural sector – Bulgaria', EIROonline 1.10.2007, <http://www.eurofound.europa.eu/eiro/studies/tno6o8o17s/bgo6o8o19q.htm>

2 Fulton, L. 'Worker representation in Europe', ETUI/REHS, [http://www.worker-participation.eu/national\\_industrial\\_relations/countries/bulgaria/trade\\_unions](http://www.worker-participation.eu/national_industrial_relations/countries/bulgaria/trade_unions)

In the public sector trade unions, which cover areas such as education, health-care, public administration and culture, professional staff form the majority of members, while in manufacturing, telecommunications or energy only some members are professional and managerial staff.

## **2. REPRESENTATION**

The estimated trade union density for P&MS in Bulgaria is on average 30% for the public sector and between 15% and 20% for the other sectors. However, union density is expected to decrease slightly within the next five years.

## **3. SERVICES AND ACTIVITIES**

The two big trade union confederations, CITUB and CL Podkrepa, not only negotiate collective agreements but also offer individual or group consultation to their members. Among recent activities, the campaign for the protection of workplace rights is worth mentioning. Other important activities include the establishment of a monitoring scheme for collective bargaining and the – less successful – attempt to recruit further trade union members.

## **4. OTHER PROFESSIONAL ORGANISATIONS**

Some professional associations which also represent professional and managerial staff are active in specific sectors, such as healthcare. However, these associations do not have trade union status and thus do not have the right to negotiate collective agreements.

# **► III. Collective bargaining**

## **1. STRUCTURE OF BARGAINING**

In Bulgaria, collective bargaining is undertaken at either industry or company level. Company-level agreements have more importance, however, as many companies refuse to participate in industry-level agreements. In some sectors, such as the chemical, pharmaceutical and cosmetics industries, for instance, no industry-level agreements have been signed for five years.



Furthermore, industry-level agreements often do little more than re-state Bulgarian legislation.<sup>3</sup>

For municipal employees, who are financed by community budgets like schools, cultural institutions or local administrations, the bargaining process takes place at municipal level. In contrast to the private sector, the situation is somewhat different, as municipal as well as sectoral agreements do still exist and regulate important issues.

There exist some criteria that are valid if trade unions are to be recognised as representative. A trade union may participate in the collective bargaining processes at industrial or municipal level only if it meets the following criteria:

- ▶ a representative union must have at least 50,000 members;
- ▶ it must have at least 50 local trade union organisations, each with at least five members affiliated to it, and these must be in more than half of Bulgaria's industries;
- ▶ it must also have legal bodies in at least half of Bulgaria's municipalities and a national executive;<sup>4</sup>
- ▶ it must also have legal registration at the court, according to the Labour Code requirements.

At company level, all trade unions present in the company, irrespective of whether they are representative trade unions, can participate in the collective bargaining process. Ideally, collective agreements should be concluded by all of these unions. If they do not succeed in reaching agreement, however, the collective agreement can be signed by either a group of unions or just one union. The prerequisite for this procedure is that the draft agreement negotiated with the employers must have received the majority of votes in either a general assembly or – in large companies or companies that have subsidiaries, or where employees work night shifts – an assembly of delegates.

The main issues of collective bargaining range from pay levels, benefits and working time to health and safety at work as well as general employment issues.

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3 Fulton, L. 'Worker representation in Europe', ETUI/REHS, [http://www.worker-participation.eu/national\\_industrial\\_relations/countries/bulgaria/collective\\_bargaining](http://www.worker-participation.eu/national_industrial_relations/countries/bulgaria/collective_bargaining)

4 Fulton, L. 'Worker representation in Europe', ETUI/REHS, [http://www.worker-participation.eu/national\\_industrial\\_relations/countries/bulgaria/trade\\_unions](http://www.worker-participation.eu/national_industrial_relations/countries/bulgaria/trade_unions)

No data are available on the coverage of collective bargaining of P&MS. However, it is estimated that collective bargaining coverage of professional and managerial staff will decrease slightly in the years ahead. Concerning different sectors, collective bargaining coverage ranges from approximately 30% (chemical, pharmaceutical and cosmetics industries) to more than 50% (public sector). Collective bargaining coverage in Bulgaria's largest banks is 100%.

## 2. COVERAGE AND TRENDS

In Bulgaria, collective bargaining covers only those employees who are members of the trade unions.<sup>5</sup> Accordingly, professional and managerial staff are included in collective agreements only if they are union members.

## ► IV. Industrial conflict

Since 2005, there have been several strikes in Bulgaria. The most high-profile strike was the one held by the Bulgarian Teachers' Trade Union (BTTU), which is affiliated to CITUB, in late 2005. It resulted in more than 2,500 teachers going on hunger strike. The teachers' most important demands included not only an increase in salary, but also the scrapping of redundancies in the secondary education system<sup>6</sup>.

In 2007, the public sector protested against low salaries and demanded better working conditions. Amongst the protesters were teachers, but also employees working in healthcare, tax administration, social work and higher education and science. The longest strike, lasting more than 30 days, was called by the teachers' trade unions in the autumn of 2007. In addition, professional and managerial staff also took part in conflicts in the forestry sector and in some manufacturing companies in 2007.

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5 Fulton, L. 'Worker representation in Europe', ETUI/REHS, [http://www.worker-participation.eu/national\\_industrial\\_relations/countries/bulgaria/collective\\_bargaining](http://www.worker-participation.eu/national_industrial_relations/countries/bulgaria/collective_bargaining)

6 'The Bulgarian Teachers Trade Union Protests Against the 2006 Education Budget', EIROnline, 8.12.2005, <http://www.eurofound.europa.eu/eiro/2005/12/inbrief/bg0512101n.htm>

## ► V. Social dialogue

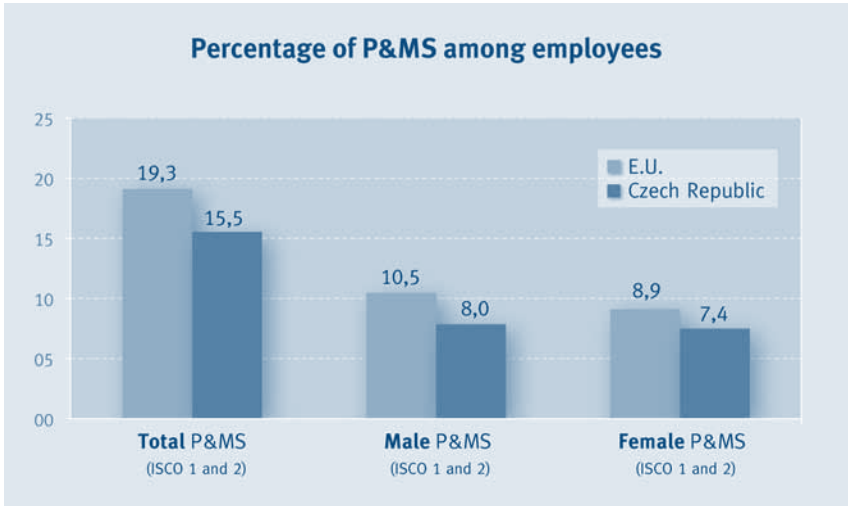
There are no tripartite bodies dealing specifically with issues concerning professional and managerial staff, but there are tripartite bodies that represent all sectors in Bulgaria. The most commonly discussed issues in these bodies are labour-market, pay and insurance issues.



[ Chapter 4 ]



# Czech Republic



In Czech republic 638,000 P&MS correspond to 15,5 % of employees  
 (Source EUROSTAT, labour force survey 2007)

## ► I. Definition

P&MS enjoy the same rights as all other employees. Czech labour legislation contains no specific definition of professional and managerial staff. However, collective agreements at company level may contain specific conditions for professional and managerial staff.

## ► II. Trade unions

### 1. P&MS UNIONS

A not insignificant number of P&MS are represented by the country's largest trade union confederation, the Czech-Moravian Confederation of Trade Unions (*Českomoravská konfederace odborových svazů – ČMKOS*) and its 34 affiliated unions. ČMKOS encompasses 70% of the Czech Republic's roughly 900,000 (2004) union members. The country's second largest trade union confederation, the Association of Autonomous Trade Unions (*Asociace samostatných odborů – ASO*), has an estimated 170,000 (2004) members. As both have

more than the required 150,000 members, ČMKOS and ASO both participate in the tripartite Council of Economic and Social Agreement<sup>1</sup>.

Besides ČMKOS and ASO, there are three other trade union confederations: the Confederation of Art and Culture (*Konfederace umění a kultury* – KUK), the Trade Union Association of Bohemia, Moravia and Silesia (*Odborové sdružení Čech, Moravy a Slezska* – OS ČMS) and the Christian Trade Union Coalition (*Křesťanská odborová koalice* – KOK).

Some small trade unions affiliated to ČMKOS represent mainly professional and managerial staff. These include, for instance, PROJEKT, the trade union for employees in science, research and the universities.

## 2. REPRESENTATION

Trade union density among professional and managerial staff is estimated to amount to between 15% and 30%, but is expected to see a slight decrease over the next five years.

# ► III. Collective bargaining

## 1. STRUCTURE OF BARGAINING

Collective bargaining in the Czech Republic mainly takes place at company level, even though in many companies there is no collective bargaining at all. In addition to company-level agreements, ČMKOS also negotiates industry-level collective agreements, 18 of which are currently in place. It is worth mentioning that industry-level agreements can also be extended to companies that are not members of the employers' organisations that signed the agreement.<sup>2</sup>

No specific collective bargaining structures apply to professional and managerial staff in the Czech Republic. Thus, collective bargaining for P&MS is covered

<sup>1</sup> 'Czech Republic. Industrial relations profile', European Foundation for the Improvement of Living and Working Conditions, [http://www.eurofound.europa.eu/eiro/country/czech\\_republic.pdf](http://www.eurofound.europa.eu/eiro/country/czech_republic.pdf); Fulton, L. 'Worker representation in Europe', ETUI/REHS, [http://www.worker-participation.eu/national\\_industrial\\_relations/countries/czech\\_republic](http://www.worker-participation.eu/national_industrial_relations/countries/czech_republic)

<sup>2</sup> Fulton, L. 'Worker representation in Europe', ETUI/REHS, [http://www.worker-participation.eu/national\\_industrial\\_relations/countries/czech\\_republic](http://www.worker-participation.eu/national_industrial_relations/countries/czech_republic)

by general regulations. Nevertheless, specific conditions for professional and managerial staff can be bargained and specified in collective agreements at company level. These generally focus on two major issues: pay and working time.

A special peculiarity is worth mentioning for industry-level agreements in the public sector, where many professional and managerial staff are employed: as public-sector employers are not allowed to form employers' associations, it is difficult for collective bargaining to take place in this sector at all.<sup>3</sup>

A new Labour Code came into force in the Czech Republic on 1 January 2007. The adoption of the legislation was preceded by a sharp debate between trade unions, employers' associations, the government and some ministries, as the new Code provides trade unions with some additional, highly controversial rights. Thus, the Code gave trade unions the power to ban night work and overtime, if these can be considered to pose a health or safety risk to workers. Also, companies cannot issue internal regulations without obtaining prior trade union consent. Collective agreements now cover all employees, including those who are not union members. In addition, under certain circumstances, collective agreements can also be negotiated with the largest trade union present in the company<sup>4</sup>.

General collective-agreement coverage in the Czech Republic amounts to about 35%. Separate figures for professional and managerial staff do not exist, but collective-agreement coverage among P&MS is not expected to change dramatically over the next five years.

## ► IV. Industrial conflict

Among recent industrial conflicts involving professional and managerial staff, the strike of Czech kindergarten, primary and secondary school teachers in December 2007 is worth pointing out. The teachers called the strike to demand a CZK 2.5 billion (€95 million) increase in public spending on education. The Czech government had pledged to raise the education budget by

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3 Fulton, L. 'Worker representation in Europe', ETUI/REHS, [http://www.worker-participation.eu/national\\_industrial\\_relations/countries/czech\\_republic](http://www.worker-participation.eu/national_industrial_relations/countries/czech_republic)

4 'Unions criticise government decision to defer new Labour Code', EIROOnline 11/12/2006, <http://www.eurofound.europa.eu/eiro/2006/10/articles/czo610029i.htm>



CZK 1 billion (€38 million), which, while denoting a 4% pay rise for teachers, was considered insufficient by the trade unions to offset the fall in real wages in education.<sup>5</sup>

## ► V. Social dialogue

The tripartite Council for Economic and Social Agreement (*Rada hospodářské a sociální dohody ČR* – RHSD) deals with general aspects of the entire economy as well as with sectoral issues. RHSD played a major role in the early 1990s, but no general agreement has been signed since 1994. The Council does not conclude binding agreements, but, together with other forms of dialogue, has some influence on government policies.

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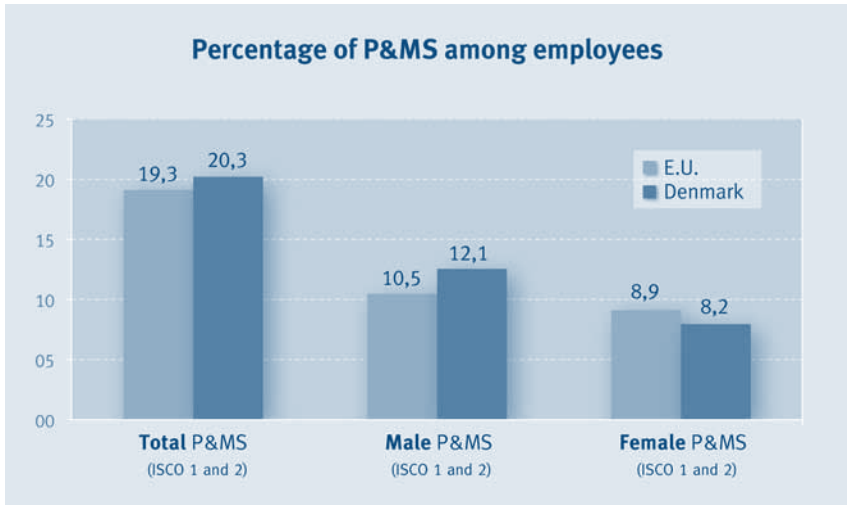
<sup>5</sup> 'Teachers strike for increase in education budget', EIROnline 14/01/2008, <http://www.eurofound.europa.eu/eiro/2007/12/articles/cz0712039i.htm>



[ Chapter 5 ]



# Denmark



In Denmark 518,000 P&MS correspond to 20,3 % of employees  
 (Source EUROSTAT, labour force survey 2007)

## ► I. Definition

A managerial employee (*arbejdsleder*) is an employee whose work consists mainly of directing and supervising the work of others on the employer's behalf. The possibility of excluding supervisors, lower and intermediate management grades from joining trade unions was recognised in the 'September Settlement' of 1899 for the private sector. In principle, 'this remains so in the currently valid Basic Agreement between the LO (trade unions) and DA (employers)'. However, this is no longer the case in practice. Managerial employees are primarily members of unions affiliated to the national organisations AC and FTF. They are covered by the Employees and Salaried Employees Act (*Funktionærloven*). AC nevertheless has a specific status, as it is also a central organisation negotiating direct with employers.

The Employees and Salaried Employees Act covers individuals a) who are predominantly employed in shops and offices, b) who provide technical or clinical assistance of a professional or non-industrial nature, or c) whose work consists entirely or mainly of directing or supervising, on the employer's behalf, work done by other employees. The Act confers certain benefits (termination of employment, severance pay, protection against unfair dismissal, sick

and maternity pay, etc). This type of status may be obtained by explicit agreement in the contract of employment or if the employee claims to hold the status by virtue of a tacit agreement.

In the public sector, groups of P&MS are employed as civil servants, and not as salaried employees.

All professional and managerial staff in Denmark are entitled to join a trade union. At higher managerial level it is normal to exclude P&MS from participating in a conflict, since they typically are the ones who will be representing the management in negotiations aimed at ending the conflict.

## ► II. Trade unions

### 1. P&MS UNIONS

The Danish labour market is characterised by strong employee and employer organisations.

There are three national trade union organisations:

- the Danish Confederation of Trade Unions (LO),
- the Salaried Employees and Civil Servants Confederation (*Funktionaerernes og Tjenestemaendenes Faellesraad* – FTF), formed in 1951,
- the Danish Confederation of Professional Associations (*Akademikernes Centralorganisation* – AC), formed in 1972.

P&MS in Denmark are primarily covered by the latter two national organisations.

The FTF has about 356,000 members, of whom about two thirds are employed in the public sector (central and local government) and the rest in the private financial sector. It is the umbrella organisation for 95 affiliated unions. The FTF organises both workers and managers, but the majority of members are classified in medium or higher education levels and thus in the ISCO2 group of professionals.

The AC represents some 256,000 people who have completed a higher level of education, and is also an umbrella organisation. Just over half of its members work in the public sector, while the rest either work in the private sector or are self-employed.

The FTF and AC are organised on a combined occupational/industry basis. The FTF's largest affiliates are the teachers' union with 65,000 members, the nursing union with 55,000, BUPL for staff in childcare institutions with 54,000 and the finance union with 44,000. The largest AC affiliates are the Society of Engineers with 61,000 and the Association of Lawyers and Economists with 47,000.

The independent association, LH (*Ledernes Hovedorganisation*), which originally organised supervisors and has been situated, since the 1899 agreement, on the employers' side, is now involved in efforts to enlarge its membership to include higher levels of professional. LH organises around 85,000 managers and supervisors.

## **2. REPRESENTATION**

The AC represents approximately 85% of the total number of people with a high level of education in Denmark, i.e. those who have graduated from universities or other higher education establishments. The sectoral or educational breakdown shows that membership levels are particularly high for the following professionals: engineers, lawyers, economists, graduates with Masters or PhDs, doctors and upper secondary teachers.

The FTF represents approximately 90% of the total number of people with higher, non-university education in Denmark. The largest member organisations in the FTF represent teachers, nurses and preschool teachers.

Unions are central to workplace representation in Denmark. Local union representatives take up employees' concerns with management and are automatically members of the main information and consultation body – the co-operation committee.

## **3. SERVICES AND ACTIVITIES**

In addition to their primary task of securing satisfactory pay and employment conditions for professional and managerial staff, the FTF, AC and LO participate in public debates and take part in discussions with the government, authorities and the various institutions. They are represented on a wide range of public councils and committees, including the permanent regional labour market councils which are in practice responsible for implementing labour market policy.

The AC offers collective and general services to P&MS as a whole, while the member organisations take care of individual services such as advising individual members in matters regarding salary and conditions of employment and further training or by offering professional and social arrangements.

The FTF offers the following services to all of its member organisations: support in legal matters, support during negotiations and the organisation of courses and conferences. The educational programmes proposed to P&MS comprise professional training, career breaks for education, possibilities for educational leave, etc.

The AC has attached great importance to making the institutions offer long-range professional training and providing qualifications to older candidates. However, the umbrella organisations, the AC and the FTF, approve of the overall principles and positions on training with a wide range of interested parties (agencies, universities and other institutions offering education) but do not offer any courses or projects.

#### **4. OTHER PROFESSIONAL ORGANISATIONS**

Due to the high union density rate and the occupational/educational basis of these unions, other P&MS organisations are almost non-existent in Denmark, although other so-called independent unions are active in the industrial relations system.

### **► III. Collective bargaining**

#### **1. STRUCTURE OF BARGAINING**

Denmark, with its long democratic tradition, has one of the earliest institutionalised bargaining systems in any industrialised, capitalist society. The so-called September Settlement set out the major components of the system in 1899. The institutional setting was enhanced in 1910 by the implementation of an Industrial Court and the creation of the labour market's official conciliators. These innovations led to what is called the Danish Model. It is characterised by the institutionalisation of conflicts, high membership rates and a well-established pattern of co-operation fostering industrial peace and stability.

The collective bargaining system is today characterised by multi-level regulation and a tendency towards centrally controlled decentralisation. The dominant level of bargaining is the industry, but there is bargaining at national level as well as at company level.

Collective negotiations in Denmark take place at national level separately in the private sector and in the public sector. These negotiations lead to so-called 'framework' agreements. The next step is collective agreements at sectoral level – the metal branch, the construction branch, the municipality level, and so on. Negotiations are then conducted at local level on the workplace, and then typically for P&MS there is the possibility of individual negotiations. Some groups of P&MS are even covered as a whole by individual contracts, which are negotiated separately.

## **2. COVERAGE AND TRENDS**

The Danish collective bargaining system has not changed substantially, but there are tendencies towards more space for individual arrangements inside the framework of the collective agreements. All in all, collective bargaining coverage remains high (above 80%).

The issues differ over time, but in general, the main ones are pay, working time, pension schemes and different models of leave.

## **► IV. Industrial conflict**

Industrial action has fluctuated recently. Recently, tensions have been rising in the public sector on pay.

Official conciliators play an important role in containing conflicts. If the social partners do not reach an agreement on certain topics, the parties invite the official conciliator to look for a compromise. The Board of Official Conciliators is appointed by the Ministry of Employment, on the basis of a proposal from the Industrial Court where the social partners are represented. Checking the legality of industrial action is within the jurisdiction of the Industrial Court.



## ► V. Social dialogue

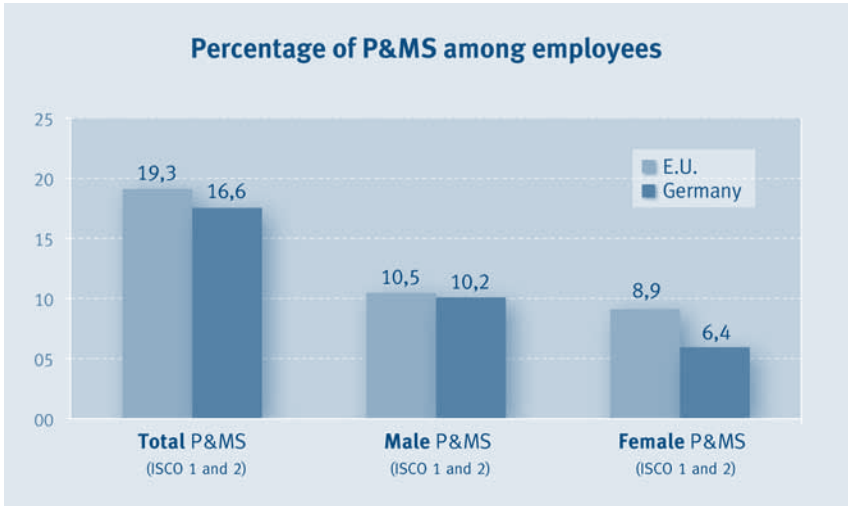
There are no specific bodies dealing solely with P&MS issues. The parties are dealing with issues in this field together with matters concerning all employees (for example the quality of working life).



[ Chapter 6 ]



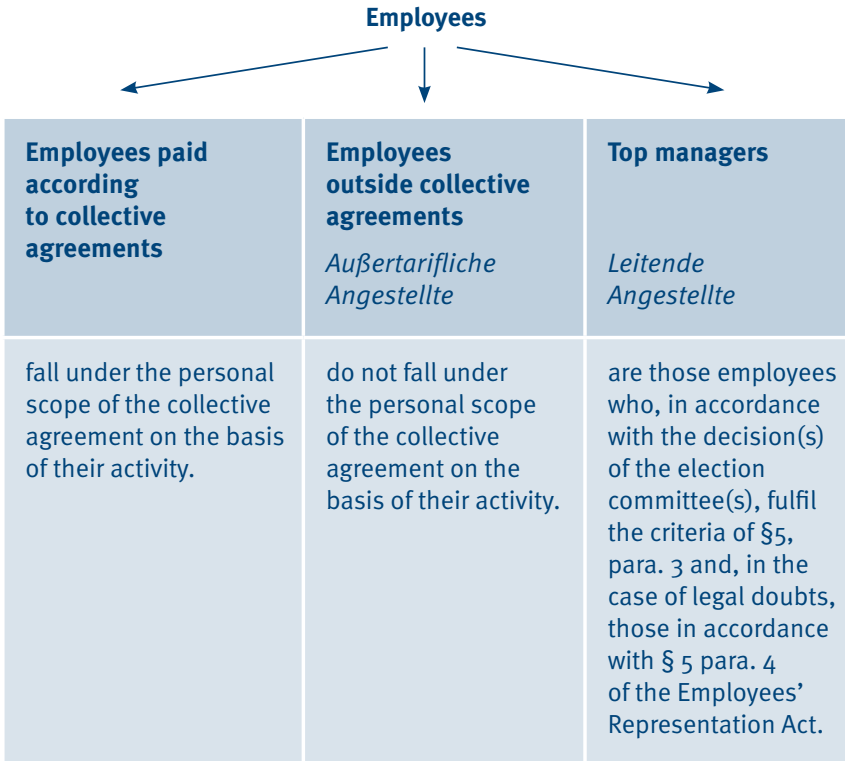
# Germany



In Germany 5,578,000 P&MS correspond 16,6 % of employees  
 (Source EUROSTAT, labour force survey 2007)

## ► I. Definition

Trade unions define professional and managerial staff as employees with a university degree, applied science university diploma or other higher-grade qualification. German labour law distinguishes between different groups of employees. As the table below shows, there are employees who are paid according to collective agreements, employees outside collective agreements (*außertarifliche Angestellte*) and finally top managers (*leitende Angestellte*).



The Works Constitution Act defines **top managers** (*leitende Angestellte*) as a separate category of workers, who perform (some of) the functions of an employer or entrepreneur. According to the Act, executive staff are individuals who possess independent authority to engage and dismiss employees or who regularly perform managerial functions (this is a responsibility important to the existence and development of the company). The level of salary is usually used as a yardstick for classifying individuals in this category (salary above 118,500 DEM / 60,588 EUR). The works constitution is not applied to them, they have a separate representative body called the *Sprecherausschuss*.

On the other hand, **employees outside collective agreements** (*außertarifliche Angestellte*) are white-collar workers usually occupying senior posts who are either explicitly excluded by the contracting parties from the scope of collective agreements (*geborne*, ‘automatically excluded’) or accorded a special status under their contract of employment (*gekorne*, ‘choosing to be exempted’). In the case of those who are automatically exempted, the definition

often refers to the particular position of executive staff. Those who choose to be exempted enjoy special privileges, such as occupational pension schemes and attractive non-pay benefits.

## ► II. Trade unions

### 1. P&MS UNIONS

The Confederation of German Trade Unions (Deutscher Gewerkschaftsbund – DGB) is the umbrella organisation for trade unions in Germany. It consists of eight affiliated trade unions:

- ▶ Trade Union of Construction, Agriculture, Environment (*Industriegewerkschaft Bauen–Agrar-Umwelt – IG Bau*)
- ▶ Trade Union in Manufacturing and Services of the Metal, Electrical, Textile, Garment, Wood and Plastics Industries (*Industriegewerkschaft Metall – IG Metall*)
- ▶ Trade Union of Education and Science (*Gewerkschaft Erziehung und Wissenschaft – GEW*)
- ▶ Trade Union of Mining, Chemicals and Energy (*Industriegewerkschaft Bergbau, Chemie, Energie – IG BCE*)
- ▶ Trade Union of Food, Beverages and Catering (*Gewerkschaft Nahrung-Genuss-Gaststätten – NGG*)
- ▶ Trade Union of the Police (*Gewerkschaft der Polizei – GdP*)
- ▶ Transnet (railway workers)
- ▶ United Services Union (*Vereinte Dienstleistungsgewerkschaft – ver.di*)

As an umbrella organisation, DGB represents the German trade union movement in dealing with the government authorities at Federal State and national levels, the political parties, the employers' organisations and other groups within society. At the end of 2006, DGB had 6.6 million trade union members, of whom 2.3 million each were members of ver.di and IG Metall, 730,000 of IG BCE, 370,000 of IG Bau, 250,000 each of GEW and TRANSNET, 212,000 of NGG and 170,000 of GdP<sup>1</sup>.

Professional and managerial staff are represented in all of these affiliated trade unions, but a majority of P&MS are represented in the United Services Union (ver.di), founded in 2001 by five partner unions: the Public Services,

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<sup>1</sup> <http://www.dgb.de/sprachen/englisch/dgb.htm>

Transport and Traffic Union (ÖTV), the Postal Workers' Union (DPG), the Media Union (IG Medien), the Commerce, Banking and Insurance Union (HBV) and the German White-collar Workers' Union (DAG) which, after a 50-year split within the German trade union movement, is now again part of DGB.<sup>2</sup>

ver.di encompasses more than 1,000 professions and is structured and divided into 13 sectors, including financial services, health, social services, welfare and churches, education, science and research, Federal Government and States, and local authorities.<sup>3</sup>

In addition, there are special interest groups, two of which mainly encompass professional and managerial staff: the group of civil servants and the group of craftsmen, technicians and engineers (*MeisterInnen, TechnikerInnen, IngenieurInnen* – MTI). The main focal points for the work of the group of civil servants for 2008 include issues such as career development, civil service law, further training, salaries and workshops on specific issues concerning civil servants.<sup>4</sup>

## 2. OTHER ORGANISATIONS

There are some other P&MS associations dealing with specific occupations. The German Managers' Confederation (*Deutscher Führungskräfteverband* – ULA), for example, is an employee association for *leitende Angestellte* and *außertarifliche Angestellte mit Leistungsverantwortung* ('employees outside collective agreements with performance-related responsibilities'). The ULA is a confederation of five professional associations representing around 50,000 members and offering support to its members by means of both legal and extra-legal advice and assistance. The association represents managerial staff in the chemical industry, electricity, metal, steel, banks, services, energy, telecommunications, agriculture and insurance, but also German managers who work in Spain. The single associations offer individual services to their members, but also support them by means of legal and extra-legal advice and assistance.<sup>5</sup>

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2 'Unified Service Sector Union (ver.di) created', EIROOnline 28.04.2001, <http://www.eurofound.europa.eu/eiro/2001/04/feature/deo10422of.htm>

3 <http://www.verdi.de>

4 <http://www.verdi.de>

5 <http://www.ula.de>

## ▶ III. Collective bargaining

With few exceptions, professional and managerial staff are covered by the collective bargaining work and pay conditions in the general collective agreement system. Special conditions, i.e. conditions outside the ‘normal’ conditions of collective agreements, are rare in Germany.

Generally speaking, employees outside collective agreements – and these are generally professional and managerial staff – also enjoy the protection of the collective agreements in place in their company. However, the income level for employees outside collective agreements is not directly regulated in the collective agreements. Employees whose income is generally at least 20% above the highest remuneration group are thus considered to be outside the collective agreement, thus *außertarifliche Angestellte*. The salary level is regulated by the individual employment contract.

## ▶ IV. Industrial conflict

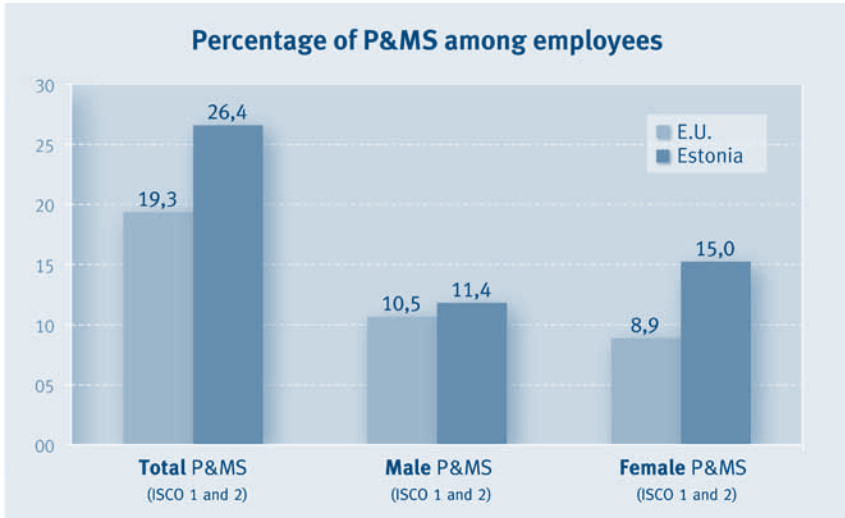
In 2006, there was a sharp increase in strike action in Germany, mainly caused by the metal industry, but a substantial number of strike actions also arose in the public sector. In the healthcare sector, for example, several waves of warning strikes occurred, as medical doctors at university hospitals demanded better salaries and working conditions. But also a 14-week-long strike took place in the public sector, because the parties did not agree on the working time stated in the framework collective agreement for Federal States. Another dispute arose in aviation, where a number of warning strikes and two 24-hour stoppages were held by pilots demanding higher salaries.



[ Chapter 7 ]



# Estonia



In Estonia 157,000 P&MS correspond to 26,4 % of employees  
 (Source EUROSTAT, labour force survey 2007)

## ► I. Definition

In Estonia, like any other group of employees, P&MS have the right to association, to conclude collective agreements, and to strike, and they also have information and consultation rights at workplace level. There are no specific definitions for professional and managerial staff in Estonia. Employees in the public sector, however, are excluded from the right to strike or any other type of conflict resolution and mediation. Since 2007 the representatives of employees in the public sector do not have information and consultation rights (new employees' representation act from 01.02.2007) only shop stewards according to the "Trade Union Act" have those rights.

## ► II. Trade unions

### 1. P&MS UNIONS

Estonia has two trade union confederations, the Confederation of Estonian Trade Unions (*Eesti Ametiühingute Keskliit – EAKL*) and the Employees' Unions' Confederation (*Eesti Teenistujate Ametiliitude Keskorganisatsioon*)

– TALO). While EAKL mainly represents manual workers, TALO is primarily a confederation for professional employees. This distinction is not very sharp, however, as EAKL also includes a union of health professionals, for instance.<sup>1</sup>

Estonian trade unions are usually organised according to sectors. Thus, most trade unions represent an entire industry, although there are some exceptions.<sup>2</sup> The most important of EAKL's 18 affiliated trade unions include the road transport workers' union (ETTA), the light industries union (EKTAL), the energy union (EEAÜL) and the metalworkers' union (EMAF). TALO's central affiliated trade unions are the professional union of scientists (UNIVERSITAS), the journalists' union (EAL) and two teachers' unions operating at different levels (EHL and EKJÜ).<sup>3</sup>

Outside these two big confederations, there are also some small autonomous independent trade unions: these play only a minor role, however, and have only minimal political influence.

## 2. REPRESENTATION

In Estonia, trade union density is estimated to amount to 10%, and to less than 5% among public-sector employees, including civil servants. However, unionisation is expected to increase slightly within the next five years.

## ► III. Collective bargaining

Collective agreements can be bargained at three different levels in Estonia: at national, industry and company levels. Of these, the company level must be considered as the most important. As most Estonian companies (90%) are small enterprises with fewer than 20 employees, however, they are not

1 Fulton, L. 'Worker representation in Europe', ETUI/REHS, [http://www.worker-participation.eu/national\\_industrial\\_relations/countries/estonia](http://www.worker-participation.eu/national_industrial_relations/countries/estonia)

2 'The development and current situation of trade unions', Eironline 22.10.2003, <http://www.eurofound.europa.eu/eiro/2003/08/feature/ee0308101f.htm>

3 Fulton, L. 'Worker representation in Europe', ETUI/REHS, [http://www.worker-participation.eu/national\\_industrial\\_relations/countries/estonia](http://www.worker-participation.eu/national_industrial_relations/countries/estonia)

covered by any collective agreement. If a company union exists, non-union members are also represented by the trade union.<sup>4</sup>

Concerning industry-level bargaining, only few collective agreements exist, even though efforts have been made to reach more collective agreements at industry level. Although agreements can be extended to cover an entire sector, little use is made of this option. Only in two sectors – the transport industry and the healthcare sector – have collective agreements been extended to all employers in the industry or sector.<sup>5</sup>

Collective agreements cover pay as well as working conditions, such as working time, health and safety issues and arrangements for lay-offs and guaranteed pay.<sup>6</sup> Furthermore, shop steward rights and holidays are also issues in the collective bargaining process.

In Estonia, professional and managerial staff are covered not by specific collective agreements, but by the relevant agreement for the company or sector in which they work. While no data are available on the collective bargaining coverage of professional and managerial staff, no major changes to P&MS coverage are expected within the next five years.

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4 Fulton, L. 'Worker representation in Europe', ETUI/REHS, [http://www.worker-participation.eu/national\\_industrial\\_relations/countries/estonia](http://www.worker-participation.eu/national_industrial_relations/countries/estonia). 'Estonia. Industrial relations profile', European Foundation for the Improvement of Living and Working Conditions, <http://www.eurofound.europa.eu/eiro/country/estonia.pdf>

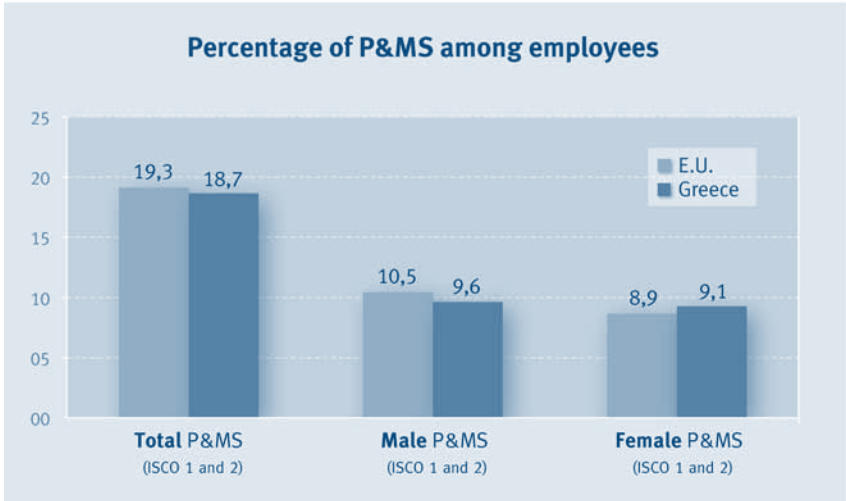
5 Fulton, L. 'Worker representation in Europe', ETUI/REHS, [http://www.worker-participation.eu/national\\_industrial\\_relations/countries/estonia](http://www.worker-participation.eu/national_industrial_relations/countries/estonia). 'Estonia. Industrial relations profile', European Foundation for the Improvement of Living and Working Conditions, <http://www.eurofound.europa.eu/eiro/country/estonia.pdf>

6 Fulton, L. 'Worker representation in Europe', ETUI/REHS, [http://www.worker-participation.eu/national\\_industrial\\_relations/countries/estonia](http://www.worker-participation.eu/national_industrial_relations/countries/estonia)

[ Chapter 8 ]



# Greece



In Greece 542,000 P&MS correspond to 18,7 % of employees  
 (Source EUROSTAT, labour force survey 2007)

## ► I. Definition

The distinction between white-collar workers (*ypállilos*) and manual workers continues to exist in Greek labour law. The courts apply a standard definition of white-collar work as ‘intellectual work’, i.e. work requiring qualification and theoretical educational background, and providing opportunities for initiative and responsibility. This classification derives from the actual work done, and not from the job title at the time of recruitment. The difference concerns the practical arrangements for dismissal.

The term ‘professional and managerial staff’ (*diefthýnon ypállilos* or *stelechos*) is used in a Greek context to describe employees in senior positions within an enterprise (key executive positions, managerial and entrepreneurial job positions exercising some of the prerogatives of an employer). These employees are excluded from protection regarding working time, breaks, holidays and overtime. Only the basic conditions applying generally to other categories of employees apply also to them.

In this respect, and except for the aforementioned ‘high-level managerial staff’ group, Greek labour law treats P&MS in the same way as other salaried

workers. Like all other salaried workers, P&MS are covered and protected by general labour law. The general rules for union representation make no specific reference to P&MS. They may be applied to such cases too. But this is rather a theoretical exercise, as no specific P&MS unions are operating in the Greek system of industrial relations.

## ► II. Trade unions

### 1. P&MS UNIONS

There are no specific or separate unions representing P&MS in Greece. The unionised P&MS are part of other union structures.

The organisational structure of the Greek trade union movement has the form of a pyramid, with three levels of representation: primary (company, regional or craft unions), secondary (local Labour Centres, federations) and tertiary (confederations such as GSEE and ADEDY). Collective bargaining structures have generated two different types of unions:

- Transverse unions, traditionally called ‘occupational’ unions, covering each of the numerous categories of professional workers, technicians and engineers in all industries.
- Vertical unions, traditionally called ‘industry unions’ or ‘sectoral unions’, which bring together the directly productive workers of an industry with the employees of other occupational categories working in the same industry.

The Greek trade unions are represented at the highest level by two confederations:

- The Greek General Confederation of Labour (GSEE), founded in 1918, which includes all trade unions (62 union federations and 75 labour centres with a total of 450,000 members) covering employees working under private law labour relations (in 2005).
- The Confederation of Public Servants (ADEDY), founded in 1947, which includes the public administration trade unions, where public law labour relations apply. ADEDY is a three-level organisation with primary-level trade unions of civil servants forming secondary-level federations, which are members of the tertiary-level confederation. ADEDY includes 1,264 first-level unions that are organised in 52 federations and represent a total of 240,709 voting members (in 2005).

A main feature of the trade union movement is its extreme fragmentation at the primary and secondary levels (unions and federations).

No reliable data exist on the unionisation of P&MS in Greece. Estimates indicate 50,000 GSEE members at professional and managerial level. According to the same estimates, the ADEDY includes about 30,000 P&MS as members.

This trade union presence is stronger in particular industries such as banking, metals, telecommunications, the chemical industry, etc.

Finally, there are professional trade unions mainly attracting professional and managerial staff, such as accountants' or economists' associations.

## **2. REPRESENTATION**

Rivalry among unions in relation to representing P&MS is not really a factor in Greece, as the P&MS group is not recognised as a separate group in the industrial relations culture. Rivalries and tensions occur more within the unions, when bargaining priorities have to be set and policy choices made. These types of tensions are normally latent and not open. For instance in company unions it happens that the majority of employees and workers determine the union demands by bypassing or downgrading the P&MS demands.

The local 'primary-level' unions are the most important form of employee representation in Greece. They have clear legal rights covering information, consultation and negotiation. However, there are no special elections for P&MS representatives in enterprises, and the latter vote along with the rest of the employees.

The law also provides for a works council structure, although in reality, works councils are found in only a few companies, and where they do exist, they work closely with the local union.

## **3. SERVICES AND ACTIVITIES**

Services and activities are organised within the general operation of the unions.



## ► III. Collective bargaining

### 1. STRUCTURE OF BARGAINING

Before 1990, Greece's industrial relations system was deeply affected by the State's interventionist methods of resolving collective disputes and regulating industrial relations. There was considerable tension among the social partners, social dialogue was non-existent and the system of collective bargaining relied mainly on compulsory arbitration. The 1990s began with the introduction of an effective legal framework for bargaining (Law 1876/1990 for the private sector). The new law removed State interventionism from the domain of collective bargaining and established dialogue and consensus between employer and employee organisations as the regulatory means of collective bargaining and settling industrial disputes. The law is designed to support and encourage the parties (employers, organised or individually, and trade unions) to develop dialogue and procedural consensus or agreements to settle their disputes. The Mediation and Arbitration Service (OMED), established in 1992, operates as an independent, non-profit organisation to provide objective and reliable mediation and arbitration services, aimed at achieving collective labour agreements (EIRO 1998). The establishment and operation of OMED is the cornerstone of the new collective industrial relations system replacing the State interventionism of the dispute resolution regime.

The law classifies national collective labour agreements into the following categories.

- The National General Collective Agreement (EGSSE) sets minimum wages and salaries for workers all over the country and is signed by GSEE on the one side and SEB, GSEBEE and ESEE on the other.
- The industry collective agreements cover employees of many companies in similar or related industries and is signed by industry federations of employers and workers.
- The company collective agreements cover the employees of a single company and are signed by company- or plant-level trade unions and management.

The national occupational and local/regional occupational collective agreements cover employees engaged in a specific occupation or profession at national or local level, and are signed by employer federations and occupational trade unions.

Both the national and sectoral levels of wage bargaining are important. There is also wage bargaining at company level. The duration of collective agreements is usually two years.

The national system of bargaining is dominated by national industry and national occupational agreements. These are not specific to P&MS. Representation of professional and managerial staff in collective bargaining is provided mainly by industry federations.

At the same time, company-/plant-level bargaining has been expanding. P&MS interests are articulated in this mixture of bargaining settlements. The P&MS bargaining does not seem to be a very important constituent in these processes. Exceptions exist in some sectors, such as the industrial sector, where manufacturing engineers have tried to establish a separate bargaining procedure, without much success.

## **2. COVERAGE AND TRENDS**

Collective agreements generally concern all workers in Greece. P&MS, who are usually included on the 'white-collar' register, are covered by both company and national collective agreements. Not much information exists about coverage in Greece. According to estimates, 2 out of 3 Greek employees are covered by a collective agreement.

It is generally accepted that P&MS coverage is lower than average coverage, because of the types of unions signing these agreements, and the industry/occupational scope of collective agreements.

Pay tends to dominate across collective bargaining agreements overall. The same may be said for the P&MS constituents of this bargaining.

Over time, a trend towards more company-/plant-level bargaining tends to predominate.

## ► IV. Industrial conflict

Overall strike figures are falling. However, particular issues related to social security, which also concern P&MS or some segments of the P&MS market (engineers and other professionals), give rise to conflict and strikes. These tensions are mainly caused by governmental initiatives to reform the pension system. Many professional groups have separate pension funds, and governmental attempts to introduce changes in these funds cause conflict.

## ► V. Social dialogue

There are no specific tripartite bargaining bodies for P&MS. Inspired by EU membership, successful and unsuccessful attempts have been made since the 1990s to establish forms of tripartite consultation and co-ordination of employment and social policies. The main fields of policy consultation are employment policy (with the aims of increasing female employment, reducing youth unemployment and introducing more flexible employment contracts and working time arrangements), the education and training systems, reforms of the social security system, and immigration policy.

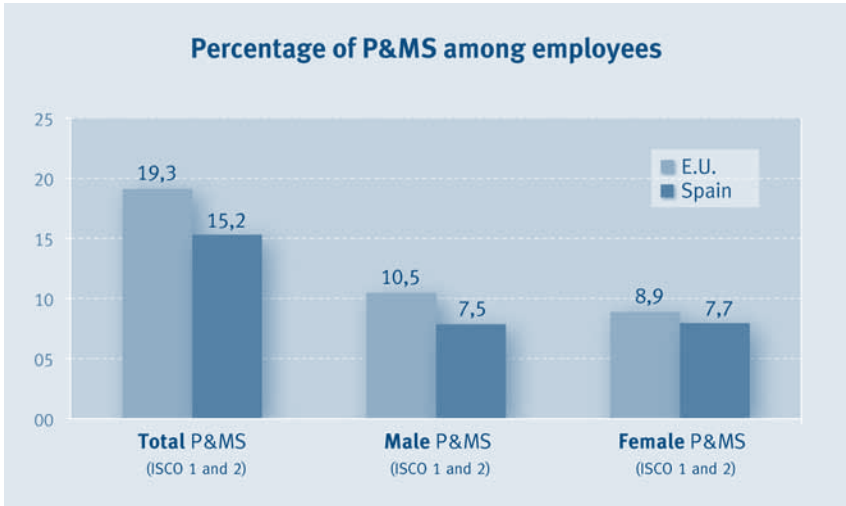
A central body that promotes this type of social dialogue is the Economic and Social Committee (OKE), which was modelled on the Economic and Social Committee of the EU. OKE is based on tripartite representation of interests: employers, employees and a third category (farmers, independent professions, local government and consumers) whose representation depends on the particular issue discussed. Meanwhile, there are a number of tripartite bodies such as OAED, LAEK, EKEPIS, ESEEKA, the Regional Social Control Committees for Labour Inspectorates, etc in the above-mentioned fields of consultation



[ Chapter 9 ]



# Spain



In Spain 2,556,000 P&MS correspond to 15,2 % of employees  
(Source EUROSTAT, labour force survey 2007)

## ► I. Definition

Spanish labour law refers to jobs and the training that is required to occupy positions of P&MS. It does not provide specific definitions of professional and managerial staff. P&MS are distinguished only amongst the electoral categories/colleges in trade union elections, with the possibility of setting up three categories/colleges: one for workers without qualifications, another for administrative and technical staff, and the third for workers with university qualifications (see below, point II, 2).

With regard to managerial staff, there is a specific law for ‘high-level managerial staff’, which basically excludes them from trade union support. This ‘senior management’ (*personal de alta dirección*) is subject to a different legal regime from the Workers’ Statute (*Estatuto de los Trabajadores*). Because of the ‘maximum powers of authorisation’ that their companies have to grant them, managerial workers with this high-level status are only a limited group.

In this respect, and except for the aforementioned ‘high-level managerial staff’ group, P&MS are treated in the same way as other salaried workers

by Spanish labour law. Like all other salaried workers, they are covered and protected by general labour law.

## ► II. Trade unions

### 1. P&MS UNIONS

There are two major trade union confederations which represent the vast majority of Spanish workers, in terms not so much of membership as of trade union support: the General Workers' Confederation (UGT) and the Trade Union Confederation of Workers' Commissions (CC.OO.). Both confederations have around one million members. This does not mean that at regional level, some other unions are not very important (for instance in the Basque or Galician regions). The public sector is also characterised by other important unions.

UGT and CC.OO. have both developed special structures for professional and managerial staff:

- in the UGT, the 'Technical and Managerial Union' (*Unión de Técnicos y Cuadros – UTC*),
- in the CC.OO., the 'Professional Technical and Managerial Section' (*Profesionales, Técnicos y Cuadros – PTC*).

Nevertheless, the specialised structures of the UGT are much more highly developed and recognised as a separate branch of activities.

Spain also has the Confederation of Managers & Professionals (*Confederación de Cuadros y Profesionales – CCP*), which in particular attracts employees from the banking sector and from some corporations in the services sector and in the energy industry.

There are also trade unions which exist at a sectoral level and represent well-defined groups of P&MS, for example pilots, doctors, nurses, university professors, etc.

### 2. REPRESENTATION

Starting from a diversified and pluralistic union landscape in the democratic transition period of the seventies, UGT and CC.OO. now hold a dominant position and are recognised at the national level as 'truly' representative.

The existence of rivalries and competition concerning the right to conclude collective agreements among unions depends on the strategy of the different organisations and the type of members they have, as to whether there is a greater or lesser emphasis on specific problems relating to P&MS.

Staff in senior management (*alta dirección*) take no part in works council elections or elections for staff representatives (legal representation), although they may join any trade union (trade union representation). For those professional and managerial staff whose contracts contain no reference to senior management, the representation regime is the same as for other workers. However, in companies with more than 50 employees, there are two electoral colleges, one for technical and administrative staff, the other for specialists and those without qualifications. The law also authorises the creation of a third college 'in line with the professional composition of the sector of production or of the enterprise'. A call for this third college always forms a part of the demands of P&MS and higher management trade unions, although there has been no real growth in this practice. In general, P&MS vote in the college of administrative and technical staff. The works council is then made up of members elected by the two colleges.

In other words, during the trade union elections at workplace level, the other autonomous organisations can also be presented as unions in the elections (for the 2<sup>nd</sup> or 3<sup>rd</sup> college). As representative bodies, the company committee and trade union delegations are statutorily only recognised as a whole. Union fractions cannot act autonomously.

### **3. SERVICES AND ACTIVITIES**

The bargaining and representative powers of the UGT and CC.OO. focus on all issues affecting workers – wages, working time, training, employment, pensions and social services. Legal aid is also offered to professional and managerial staff, as to the rest of employees who are trade union members. However, in the P&MS activities, trade unions generally pay more attention to the consequences of new technology and other areas especially affecting P&MS, such as supplementary pensions or mobility within Europe.



## 4. OTHER PROFESSIONAL ORGANISATIONS

There are also professional organisations, such as the Professional Colleges (*Colegios Profesionales*), which also have considerable institutional importance in Spain. However, they have no collective bargaining powers and are thus unable to sign any agreements affecting workers, even senior management or professional and managerial staff. On the other hand they do fulfil a role in providing information, *inter alia* on career development, for their members. There are few links between these organisations and the trade unions, although this does not mean a rivalry exists between these associations and the unions.

## ► III. Collective bargaining

### 1. STRUCTURE OF BARGAINING

The Spanish collective bargaining structure is highly fragmented. Spain has a very large number of agreements – over 4000 – and a fairly decentralised structure, with agreements at company level, at the level of groups of enterprises, but also at provincial or national level within a sector.

Collective bargaining does not have a specific level or form for P&MS. It is carried out in a global, common way. In Spain there is very clear legislation to protect the degree of trade union representativeness, and therefore the so-called ‘most representative’ national trade unions clearly predominate with regard to bargaining capacity at all times. At sectoral level, other trade unions (and companies) can also join in on collective bargaining, depending on their representativeness, especially in the case of those that represent certain P&MS more specifically, as mentioned earlier. Furthermore, there also exist genuine negotiations in some sectors for certain groups of workers which could best be described as ‘specific agreements’ (*convenios franja*) that apply only to that particular group (for example airline pilots), but always within the framework of a general agreement.

### 2. COVERAGE AND TRENDS

Collective bargaining coverage is quite high in Spain: 81% of all employees were covered by an agreement in 2001. This is not only due to the extremely high number of agreements, but above all, and as in other Western European

countries, because of the extension of collective agreements. It is fairly easy to extend an agreement negotiated in one company or sector to another company or fellow sector. The Ministry of Labour or the corresponding body in the Regions will extend a collective agreement to a group of companies or to a sector or sub-sector, when there are no legitimate parties to sign up to one (and it is impossible to obtain their agreement). The Ministry will act at the request of representative unions or employers' organisations in the affected sector or companies.

The main subjects of collective bargaining have been in recent years: stress-related issues, working hours, reconciling work and family life, teleworking, corporate social responsibility, etc.

## ► IV. Industrial conflict

There have been specific P&MS industrial conflicts, especially among pilots and doctors, but not many.

On 10 July 2006, Iberia pilots went on strike in a bid to guarantee their jobs and working conditions, after the company announced plans to establish a new low-cost airline. At a meeting with Iberia on the first day of the strike, the pilots rejected the first proposal from the company on the grounds that it provided no new measures and that the meeting had not been attended by senior Iberia executives. However, the strike was called off on 12 July after steps were taken to declare the protest action illegal; as a result, the pilots accepted the initial proposal, which had been resubmitted by the company on 11 July.

From late March to early May 2006, the Doctors of Catalonia trade union called a series of one-day strikes in a dispute over several important sectoral issues, including the regulation of working time, pay increases for doctors, collective bargaining and the regulation of the medical profession.

## ► V. Social dialogue

There are no tripartite bargaining bodies specifically for P&MS. Nevertheless, in recent years the Spanish industrial relations system has gone through a period of revitalised national social dialogue and consultation (with consecutive

intersectoral national agreements, the so-called *Acuerdo para la Negociación Colectiva* – ANC). Topics which are also of high interest for P&MS have also been dealt with in these talks and agreements (for example in December 2007 on corporate social responsibility). Meanwhile, the national social partners are involved in a range of recognised steering or consultation positions in a wide range of policy areas.

**TABLE 1:** *Main institutionalised social consultation bodies acting as advisory bodies, 2004*

<b>INEM</b>	National employment institute	Employment policy
<b>FORCEM</b>	Continued training in employment	Vocational training
<b>CES</b>	Economic and Social Council	Economic and social policy; advisory body

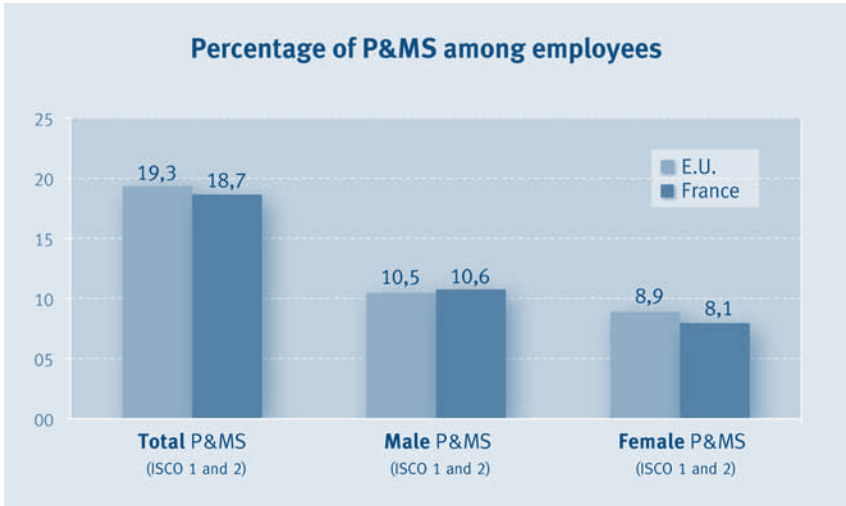
Regional pacts for employment and competitiveness are also now a common feature of the Spanish system of social dialogue. Prime examples of recent times include agreements signed in Andalusia, Catalonia and the Madrid region.



[ Chapter 10 ]



# France



In France 4,279,000 P&MS correspond to 18,7 % of employees  
(Source EUROSTAT, labour force survey 2007)

## ► I. Definition

Professional and managerial staff in France from an industrial relations perspective means *cadres*. The term defines a specific type of employment relationship or status. However, no global or common definition of this *cadre* statute exists under French labour law: neither status nor diploma nor unique job definition nor social group accurately defines the term.

### 1. CLASSIFICATIONS BY KEY INSTITUTIONS

To illustrate what the employment status *cadres* stands for, we will give 3 definitions which are used by different institutions to categorise the group.

First of all, the national statistical agency INSEE uses the following categorisation. In group 3, *Cadres et professions intellectuelles supérieures*, categories 32 and 36 refer to *cadres* (see table). AGIRC, the complementary pension fund created for the group of *cadres*, draws a distinction between 3 types of ‘contributors’ (see table). Apec, the employment agency for *cadres*, classifies the group of *cadres* in 5 profiles and 2 general categories (see table).

**TABLE:** Key classifications of cadres in France

Classification		Description
<b>INSEE (statistical agency)</b>		
Category 32: <i>Professionals and managers in civil service, intellectual and artistic occupations</i>		33. <i>Professionals and managers in civil service</i> 34. <i>Professors</i> 35. <i>Information, art and entertainment professionals and managers</i>
Category 36: <i>Professionals and managers in companies</i>		37. <i>Business and administration professionals and managers</i> 38. <i>Science and engineering professionals and managers</i>
<b>AGIRC</b>		
Contributors article 4		<i>Cadres</i> as defined by collective agreement
Contributors article 4bis		Employees, technicians and foremen equated with <i>cadres</i> or ‘intermediate professions’
Contributors article 36		Staff members ( <i>collaborateurs</i> ), functioning as foremen but at a lower hierarchical level than workers according to article 4bis
<b>APEC</b>		
Managerial <i>cadres</i>	1. Hierarchical <i>cadres</i>	Responsible for a structure, unit, establishment or domain; their role is to ‘supervise’ ( <i>encadrer</i> ) one or more persons; small or large teams. They supervise and are supervised
	2. Project managers	Their function is to manage a project or team; they are responsible for transverse processes (planning, delays, deliverables, etc). They mobilise resources (personnel and budgets) which are not their direct responsibility

	3. Executives	Members of the general management. In the private sector they have direct contact with the shareholders
Professional <i>cadres</i>	4. Operational <i>cadres</i>	Work under the supervision of a <i>cadre hiérarchique</i> ; they have reduced autonomy, but are specialised. Examples are information technologists, production engineers, commercial <i>cadres</i> , junior consultants
	5. Experts	Specialists in their job domain; highly-skilled autonomous work; experienced engineers, architects, top salesmen; senior consultants

## 2. CONTEXT-DEPENDENCY AS GENERAL RULE

Although these classifications paint a picture of what *cadres* stands for as an occupational category, the individual definition applied will depend on the sectoral/company context as defined by collective agreement (private sector) or statutory law (public sector).

### **Private sector**

In the private sector, the collective agreements characterise the executives by several criteria, the first of which is the possession of a higher education diploma or equivalent track record. Other dimensions, which according to the collective agreements can be taken into account in a different way, are: the exercise of a command – but executives who do not have personnel under their authority are classified by equivalence; specific competences – in particular autonomy, initiative, authority; the exercise of responsibilities. However, according to the sectors or the branches of activity, classification frameworks evolve/move little.

For its part, Agirc, the complementary pension fund created for P&MS, retains the concepts of ‘article 4’ subscribers, *cadres* within the meaning of the collective agreements; ‘article 4 bis’ subscribers, employees, technicians and comparable supervisors called *assimilés cadres ou professions intermédiaires*; ‘article 36’ subscribers known as collaborators in the case of the agents exercising control, but with a hierarchical level lower than the ‘contributors’ (*cotisants*) in accordance with article 4.



## **Public sector**

Within the public office, the employment statutes of category A, except those of teachers, refer to the functions of design, direction, supervision, expertise or control. A diploma of at least *licence* (master's) level is required when such staff are externally recruited. The current reality of recruitments shows that a great majority of the successful candidates hold a diploma of level BAC+5 or even beyond.

### **3. KEY REFERENCES IN LABOUR LAW**

In regard to labour law, we can refer to two key usages.

#### ***In relation to workplace participation***

France has a system of works councils. The voting system makes reference to the group of *cadres* in how the electoral colleges have to be formed. *Cadres* are also treated as a separate category for the *Conseil de prud'hommes*. This traditional industrial tribunal has exclusive competence for dealing with individual disputes arising from the contract of employment. A unique feature of this first-instance labour court is its strictly joint composition, with half of its members (judges) elected by employees and half by employers. A law dated 18 January 1979, the so-called BOULIN reform, created a specific section in these councils for *les salariés de l'encadrement*. The reform sought to take better account of the particularities related to the employment position of *cadres*, which can be traced back in particular collective agreements.

#### ***In relation to working time***

There are specific provisions regarding the working time legislation applicable to P&MS. A distinction must be made between three categories of P&MS, as mentioned below:

- ▶ **Key Managing Executives** (*cadres dirigeants*) are those who fulfil the following three criteria:
  - a. they carry out high-level responsibilities implying broad independence in the organisation of their working time;
  - b. they are granted powers to make decisions in an autonomous way;
  - c. they benefit from a remuneration which is in the upper level of the company.

These executives generally form part of the Executive Committee of the company and are not covered by the legal provisions on working time.

- ▶ **Integrated executives** (*cadres intégrés*) are those who are subject to the company's collective working time and who are integrated in a working team. They are subject to the legal provisions on working time.
- ▶ The last category, which contains two sub-categories, concerns P&MS who are referred to as '**other executives**':
  - a. Autonomous P&MS (*cadres autonomes*) are those who are granted P&MS status (*statut cadre*) by a collective bargaining agreement and who are neither Key Managing Executives, nor Integrated P&MS. They benefit from a certain degree of working time autonomy and their working time arrangement due to their job function does not have to follow the collective working time arrangements. These P&MS are subject to the legal provisions on working time, but they may be subject to global remuneration agreements (*forfaits*), provided that the collective bargaining agreement applicable to the company authorises the conclusion of an individual global remuneration agreement with this category of P&MS. Such agreements may be concluded either in hours or in days (until the new law of August 2008 within a 218-day limit), and on either an annual basis or (for agreements in hours only) a monthly or even a weekly basis;
  - b. Non-Autonomous P&MS (*Cadres intermédiaires non-autonomes*) are those who in light of their type of duties have different working hours than the employees subject to the collective working time implemented within the company, but who do not have sufficient autonomy to be considered as autonomous executives. Different types of global remuneration agreements based on a fixed number of hours per week, month or year may be applicable to these P&MS. However, in order to implement annual global remuneration agreements in hours within the company, either a collective bargaining agreement or an in-house agreement must allow this possibility.

#### **4. TRADE UNION RIGHTS**

No limitation in the law for the right to association or to strike exists in relation to P&MS. Collective agreements are concluded by the unions and representatives of workers, generally without distinction between categories, although specific clauses can exist for P&MS in collective agreements.

## ► II. Trade unions

### 1. P&MS UNIONS

French trade unions have a low level of membership among employees of around 10%, with higher levels in the public sector than in the private sector. However, the trade unions obtain a lot of legitimation from the elections, organised to select the employee representation at the workplace (see also next point). In recent times, this legitimation has been enforced due to the increased presence of these elected trade union representatives at the workplace and the growing success of the union candidates compared to the non-union candidates in these elections.<sup>1</sup>

Most of the time, the French unions are organised at sectoral or branch level and grouped into several confederations. There are five main union confederations with membership across the whole of the economy (CGT, CFDT, CGT-FO, CFTC and CFE-CGC), all considered ‘representative’ at national level. This status automatically gives them rights to negotiate, to nominate candidates for elections and to have seats on some of the social security bodies, which are directed by the social partners. There are also other union confederations, which have significant influence but do not have this status at national level. These so-called ‘autonomous’ unions are organised in the more reformist UNSA, the FSU (strongly present in education, research and the cultural sector) and the G10, which forms a kind of cartel with the more radical, anti-establishment SUD.

Key union players from the P&MS perspective are the unions, which specialise in organising the *cadres*. Each of the intersectoral confederations has a special organisation for P&MS:

- in the CFDT, this is the *Union confédérale des ingénieurs et cadres* – CFDT Cadres;
- in the CGT, the *Union générale des ingénieurs, cadres and techniciens* – UGICT-CGT;
- in the FO, the *Union des cadres et ingénieurs* – FO Cadres;
- in the CFTC, the *Union générale des ingénieurs, cadres et assimilés* – UGICA-CFTC.

The four confederal organisations have fairly similar structures with professional and managerial ‘unions’ at national confederal level, allowing a sort of dual membership in national sectors and the P&MS unions. CFE-CGC is a national

<sup>1</sup> Olivier Jacod & Rim Ben Dhaou (2008): *Les élections aux comités d'entreprise de 1989 à 2004: une étude de l'évolution des implantations et des audiences syndicales*. Dares, document d'études n° 137 avril 2008.

representative union specialising in the representation of professional and executive staff. UNSA also has a specific structure for *cadres*. SNES, a union belonging to the FSU (an autonomous federation of education, research and culture unions), also organises specific groups of *cadres*. Other, more fragmented organisations for *cadres*, which present candidates for this group in the social elections at workplace level also exist within the other trade unions (SUD, SNUI, CRCSanté etc).

## 2. REPRESENTATION

There is little or no competition among the five confederations or their member organisations in regard to the right to reach agreements at interprofessional level. Nevertheless, there are some differences of opinion on certain matters. As nationally recognised representative actors, only the five confederate organisations take part in the interprofessional bargaining. The others are only involved in the enterprise- and/or sectoral-level negotiations.

From a representative point of view, it is important, furthermore, that *cadres* can have separate representation within the bodies of employee representation at workplace level in larger establishments or companies. The most important of these bodies is the works council (*comité d'entreprise* or *comité d'établissement*). Works councils receive information from the employer in areas such as the economic and social situation and new technologies. They also respond to formal consultations by the employer in areas such as redundancies and vocational training, and are responsible for managing social and cultural activities, for which they have a budget at their disposal. In a multi-establishment company or in a group of companies, works councils can also form a *comité central d'entreprise* or a *comité de groupe*. Besides the works council, an employee delegation (handling individual and collective grievances), trade union delegation (for example conducting the collective bargaining) and/or health and safety committee can be present at the workplace. Sometimes works councils and employee delegations are merged into one single entity, known as the *délégation unique* (allowed when the establishment has between 50 and 200 employees).

Members of the works council are elected for 4 years (since 2005, although exceptions by collective agreement are possible; previously this period was 2 years). A first electoral college is composed of blue-collar workers and white-collar workers (employees). A second electoral college is composed of foremen, technicians, engineers and *cadres*. A third college has to be set up when

25 or more engineers and *cadres* are working in the company or establishment. The following table summarises the voting results of the different unions in the works council elections for the college of ‘Engineers and *cadres*’.

**TABLE 1:** *Results of the works council elections, college of ‘Engineers and cadres’*

Source: Dares

	1997-1998	1999-2000	2001-2002	2003-2004	2005-2006
<b>CFDT</b>	18.8	21.1	20.4	19.4	19.4
<b>CFE-CGC</b>	26.7	24.7	24.5	26.1	25.6
<b>CFTC</b>	5.5	6.4	6.2	7.2	7.5
<b>CGT</b>	5.9	6.9	7.5	7.6	8.4
<b>CGT-FO</b>	8.5	7.4	8.0	7.9	7.7
<b>Other unions</b>	10.1	10.0	11.4	9.7	10.6
<b>Non-union</b>	24.5	23.5	22.0	22.2	20.8

**TABLE 2:** *Representativeness of the French trade union organisations among professional and managerial staff (%)*

	CFDT	CFE-CGC	CFTC	CGT	FO	FSU	Solidaires	UNSA	Various
<b>Private sector and public enterprises <sup>(1)</sup></b>	22,95	27,85	10,48	16,92	9,27	--	2,88	7,51	2,14
<b>Civil services <sup>(2)</sup></b>	24,47	7,78	3,85	16,68	14,79	4,47	8,56	11,29	8,11
<b>Overall P&amp;MS representativeness</b>	<b>23,40</b>	<b>21,45</b>	<b>8,41</b>	<b>16,87</b>	<b>11,00</b>	<b>1,39</b>	<b>4,65</b>	<b>8,68</b>	<b>4,15</b>

<sup>1</sup> Industrial tribunal elections 2008 – salaried staff college – Managers, results Métropole

<sup>2</sup> Public State function, joint administrative committees (CAP) of category A bodies, excluding teachers in schools, colleges and lycées, 2005-2007; Public territorial function, national results of local CAP, 2008; Public hospital function, national CAP n°1, 2 and 3 and the CAP of the bodies of hospital directors, directors of social establishments and directors of sanitary and social establishments, in 2007

### 3. SERVICES AND ACTIVITIES

The main services the trade unions offer are the provision of information, both general and P&MS-specific, the collective and individual defence of employees' rights and individual advisory services. A range of collective services, which in other (Nordic) countries are organised by the unions, are organised in France by the principle of *paritarisme*, an organisational principle implying strictly joint decision-making mechanisms in which the representatives of two groups with differing interests (employers and employees) carry equal weight. Although it is much reduced, this institutionalised system of *paritarisme* in social security agencies, industrial tribunals and social welfare boards has not been abolished and has actually even been strengthened in the field of vocational training (see below, point V).

Recent trade union campaigns have been focusing on pensions, purchasing power and the modernisation of the labour market.

### 4. OTHER PROFESSIONAL ORGANISATIONS

Apart from trade unions, there are many other associations for professional and managerial staff:

- ▶ university graduate associations (and associations for former students at the *grandes écoles*);
- ▶ associations for former students at the high schools of engineers, mostly under the umbrella of the French national council for engineers and scientists (CNISF);
- ▶ other professional associations, some of them with close links to employers' organisations, such as the Association Nationale des Directeurs (et chefs de personnel (ANDCP)) des Ressources Humaines (ANDRH);
- ▶ civil servants' associations, often organised by occupational corps.

There are also professional 'orders', established by law, for certain professions which are most often practiced on a self-employed basis: doctors, pharmacists, architects, lawyers, notaries, nurses (since 2008) etc.

These organisations support the collective interests of a profession (qualifications and training, quality of teaching, code of ethics) and of the individual members (professional advice, employment services). Their activities generally complement those of trade union organisations, but sometimes compete with them (for example for doctors or nurses in public hospitals), since these organisations tend to support the particular interests of their group to the detriment of other employees.

## ► III. Collective bargaining

### 1. STRUCTURE OF BARGAINING

In France, collective bargaining is regulated by legislation. Firstly, the law sets out a list of employers' and employees' bodies which have 'representative' status. Secondly, it establishes the legal terms under which bargaining is a) valid, and b) applied to subjects open to negotiation. The Labour Code, which is the responsibility of Parliament, sets out the details of most bargaining practices. For example, the law places an obligation on companies and sectors to negotiate annually on pay, and on job classifications every five years.

Additionally, the State is directly responsible for a series of decisions regarding the minimum wage, the determining factors relevant to working time, employment status and redundancy terms and conditions. This statutory law can be pivotal.

Negotiations can be carried out at all levels of economic activity, provided that some recognised actors take part. Some agreements, often framework ones, have been reached at national level. This type of intersectoral national bargaining was relaunched in the 90s. The sectoral and company levels, however, are the most frequently used. Bargaining at regional level is rare, but some sectors (metalworking and construction) engage in local and regional bargaining.

Recently the so-called Fillon law tried to change some of the collective bargaining practices.

The structure of the bargaining levels in France is pyramidal. Statute law is pivotal. The articulation between the different levels used to be organised in accordance with the principle of 'favourability' to the employee (*principe de faveur*): the lowest level had to comply with the upper level and could not be accepted by the legislator unless it was more favourable to the employee. There were few exceptions. This principle was disposed of in 2004. As long as the law is respected (*plancher légal*), the decentralised levels have more autonomy to bargain salaries and working time, and more generally, issues that concern the flexibility of the relationship between employer and employee.

P&MS, working fully as employees, are protected by the same collective agreements as other employees. They can benefit from specific conditions in

collective agreements at national or sectoral level, or collective arrangements. In the private sector, the salary increases of P&MS have in general not been established within the framework of annual compulsory negotiations. They are the subject of individual employer-employee bargaining.

## 2. COVERAGE AND TRENDS

Collective bargaining coverage is very high in France. About nine out of ten employees are covered by a collective agreement. This is due to the fact that agreements are legally easily extended to entire sectors and/or to different geographical regions or other economic sectors.

As a rule, professional and managerial staff are covered by the same labour regulations and collective agreements. Nevertheless, exemptions exist (see point I, legal definition). In the private sector, wage increases for *cadres* generally form part of the mandatory annual negotiations. However, they are very often set by an individual settlement between the *cadre* and his/her management.

The main subjects of collective bargaining in recent years have been: the nature of the employment contract, individualisation of performance management and control, working time and workload, contributions to retirement and social protection systems, wages, working conditions and occupational health. In the case of restructuring operations, economic issues have also been included in negotiations.

## ► IV. Industrial conflict

Traditionally, French strike activity is high compared to other EU countries. However, figures have decreased in recent times and strike activity is also more concentrated in sectors such as public transport.

No major industrial conflict related to P&MS has been reported since 2005, although according to the unions, tensions have increased in recent years with regard to topics such as workload, stress, burn-out and even work-related suicides. Over the past year or two, conflicts have increased on these matters in companies with a majority of *cadres* (for example IT services).



## ► V. Social dialogue

The main tripartite bodies through which peak employer and trade union organisations can hope to influence government policy-making are purely consultative ones: the Economic and Social Council (ESC) and the Planning Commissions. Both are made up of representatives of peak employer and trade union organisations, as well as other interest groups such as consumers, and ‘qualified individuals’ nominated by the government. This consultation or *démocratie sociale* remains underdeveloped, and is essentially limited to the State testing the strength of opposition to its policies.

Nevertheless, both industrial relations camps are still heavily involved in the management of certain social security provisions (public health insurance, unemployment benefits, social welfare boards). In addition, the social partners play a central role in the supplementary ‘private’ health insurance system (*mutuelles*) and pension plans. They are also strongly involved in the vocational training system.

Professional and managerial trade unions are especially represented in the following areas:

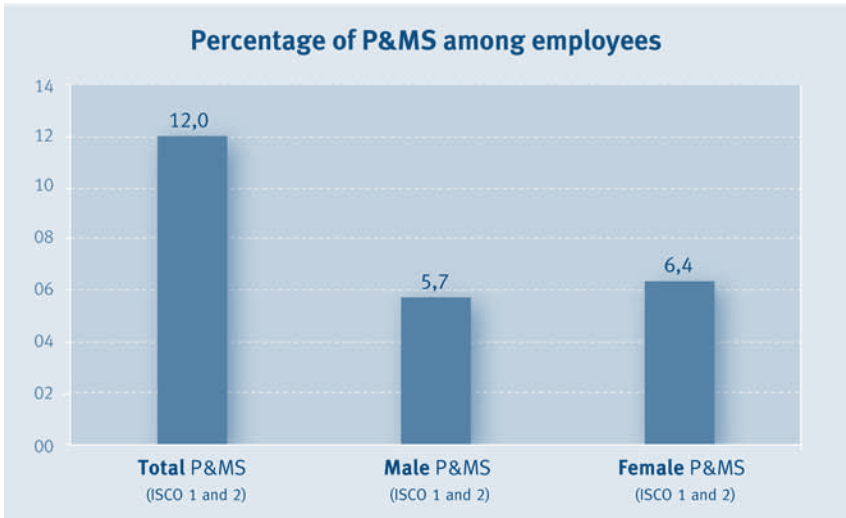
- **Training:** professional and managerial trade unions are often represented on the councils (administrative, higher education etc) of higher education establishments, in initial (universities, *grandes écoles*, high schools of engineers) or higher training (for example in engineering). They also sit on the accreditation bodies for engineering training and the committee which awards qualifications, etc.
- **Employment:** professional and managerial trade unions are represented on the management board of APEC (the *Association pour l’Emploi des Cadres*), an employment agency for P&MS and graduates jointly managed by the employers and the trade unions.
- **Retirement:** professional and managerial trade union organisations sit on the management board of AGIRC, the supplementary pension fund for private-sector professional and managerial staff.
- **Economic, Social and Environmental Council** (a constitutional assembly submitting consultative advice to the government): it has reserved seats for P&MS union representatives.



[ Chapter 11 ]



# Croatia



In Croatia 153,000 P&MS correspond to 12 % of employees  
(Source EUROSTAT, labour force survey 2007)

## ► I. Definition

The Croatian term *radnik* ('worker') encompasses all employed persons, including professional and managerial staff. Thus, the Labour Code applies to P&MS as it does to all workers. There is, for this reason, no specific definition of professional and managerial staff in Croatia. However, the Labour Code is currently being revised, with forthcoming amendments to contain a legal definition of managerial staff.

There is also a negative definition of professional and managerial staff in contrast to top managers. The legal status of top managers is regulated by managerial contracts that are not defined in the Labour Code. Thus, some provisions, such as the rules on employment and collective agreements, do not apply to them. As a consequence, the remuneration of top managers and other rights of the employment relationship are regulated differently than those of other workers.

All workers, and therefore also professional and managerial staff, are guaranteed the right to association, to conclude collective agreements and to information and consultation at the workplace. However, there is a limitation on the

right to association for persons employed in the armed forces and the police. They are not allowed to be members of political parties or to form trade unions.

All workers have the right to elect works councils and to be elected as works councillors, with the exception of members of the management, their families and employees authorised to represent the employer in relation to a third party or to his employees.

The right to strike falls within the responsibility of the trade union confederations and their affiliated trade unions. They can call and organise a strike with the aim of protecting and promoting workers' rights and interests. As professional and managerial staff are considered to be workers, they can also participate in such strikes.

## ► II. Trade unions

### 1. P&MS UNIONS

The Croatian trade union landscape is characterised by a multitude of trade unions. They are organised at national, industry/activity and company levels. At present, 269 national-level trade unions exist. They are registered either with the Register of Association of the Ministry of Economy, Labour and Entrepreneurship, if they operate in more than one county, or with the Register of Associations at the State Administration Office of the responsible county if they operate in only one county. Registration is possible if a trade union has at least ten adult members.

Even though the Labour Code provides the possibility to establish a trade union for professional and managerial staff, no trade union for this special group of workers exists in Croatia. P&MS are thus members of and represented by their respective trade unions.

In Croatia, there are eight higher-rank associations of trade unions, six of which are parties in the tripartite Economic and Social Council. A higher-rank association can be founded if it has at least two member trade unions. The higher-rank associations of trade unions represented in the Economic and Social Council are:

- ▶ the Union of Autonomous Trade Unions of Croatia (*Savez samostalnih sindikata Hrvatske – SSSH*),
- ▶ the Independent Trade Unions of Croatia (*Nezavisni hrvatski sindikati – NHS*),
- ▶ the Association of Workers' Trade Unions in Croatia (*Udruga raničkih sindikata Hrvatske – URSH*),
- ▶ the Association of Croatian Trade Unions of Public Services (*Matica hrvatskih sindikata javnih i državnih službi – MHSJDS*),
- ▶ the Croatian Association of Trade Unions (*Hrvatska udruga sindikata – HUS*) and
- ▶ the Trade Union of Services (*Sindikat usluga – UNI-CRO*).

To obtain a seat in the Council, a trade union association must fulfil certain criteria: first of all, a higher-rank association must have more than 15,000 paying members and must be registered with the Register of Association of the Ministry of Economy, Labour and Entrepreneurship. In addition, it must have at least five affiliated trade unions operating at national level, which must also be registered with the Register of Association of the Ministry. Furthermore, the association must be active in at least eleven of Croatia's 21 counties and be party to at least three collective agreements concerning different industries that are applied at national level, such as the collective agreement for the workers in the graphic industry, the collective agreement regulating the rights of tourism workers or the collective agreement for construction workers.

## 2. REPRESENTATION

Trade union density for professional and managerial staff is estimated to exceed 30%. It is expected to decrease slightly within the next five years.

# ▶ III. Collective bargaining

## 1. STRUCTURE OF BARGAINING

In Croatia, collective agreements are concluded mainly at industry or company level. In general, though, Croatian trade unions promote collective bargaining at industry/branch level. Yet most collective agreements are concluded at company level. Their percentage of all collective agreements amounts to about 90%. In 2005, 57 new collective agreements and 24 annexes to exist-

ing collective agreements were concluded, only seven of them being industry-level agreements. Currently, 100 collective agreements are in place, only 7% of which are industry-level agreements, but they cover half of the total Croatian workforce.

Trade union confederations also conclude collective agreements at national level. In 2006, the trade union of physicians tried to conclude a professional-level collective agreement. The Croatian trade union confederations were and still are strongly opposed to collective bargaining at professional level, however, as this would undermine the negotiation system for certain industries or companies. As a result of the efforts of the physicians' trade union, trade union confederations agreed among themselves that collective agreements would be concluded only at national, industry or company level. This was subsequently also agreed upon by the social partners and the government in the Economic and Social Council.

Even though some industry-level agreements do exist, they are almost identical in content to legislative provisions and provisions of the Labour Act. Industry-level specificities, in turn, are negotiated in company-level collective agreements. The main issues in both company- and sector-level agreements include pay and other material rights, working time, health and safety at work, as well as annual leave. In recent years, the right to further training and to pension funds has also been negotiated in collective bargaining processes.

Although there are criteria for representation in the Economic and Social Council, criteria for the representativeness of trade unions to participate in the collective bargaining process are missing in the Labour Code. As there are so many trade unions, this has a tremendous negative influence on the collective bargaining process: if more than one union is in the position to negotiate, conflicts can occur among them if they fail to agree on the number and composition of the negotiating team. If the unions do not come to an agreement, the decision on which trade unions will participate in collective bargaining is taken by the Economic and Social Council on the basis of the number of members each trade union has in the area of activity for which a collective agreement is being concluded.

Collective agreement coverage is estimated to amount to 45%, including professional and managerial staff. The coverage of professional and managerial staff is anticipated to remain the same in the years to come.

## **2. COVERAGE AND TRENDS**

Collective agreements apply to all those employed in the respective industry/ activity or company; special collective agreements for professional and managerial staff do not exist.

### **▶ IV. Industrial conflict**

No data are available on the number of strikes, working days lost or the number of workers participating in the strikes or on any other form of industrial conflict in Croatia.

### **▶ V. Social dialogue**

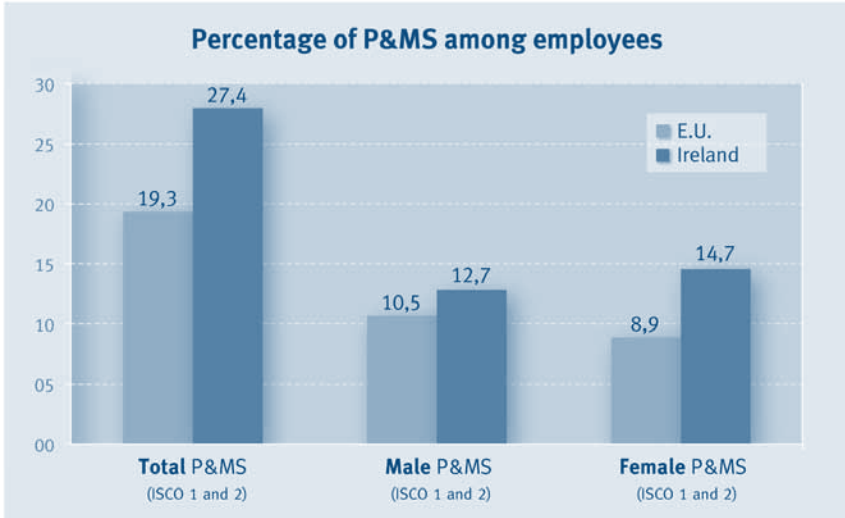
Tripartite bodies in Croatia do not specifically deal with issues that concern specific professions or categories of workers, and thus they also do not deal with professional and managerial staff in particular.



[ Chapter 12 ]



# Ireland



In Ireland 480,000 P&MS correspond to 27,4 % of employees

(Source EUROSTAT, labour force survey 2007)

## ► I. Definition

There is no special definition for P&MS in labour law in Ireland. However, some exceptions lead to a definition in cases where specific categories of employees (usually P&MS) are excluded from the protection of certain types of labour law: these are members of the armed forces and police, civil and public servants, doctors, prison officers, senior managers and self-employed. Police and armed forces are excluded from the national system of collective bargaining but have their own representative organisations. In the national administration, senior P&MS are not allowed to represent a trade union, except in cases or disputes which involves themselves as workers.

The right to form and join trade unions is protected by the Irish Constitution. This does not, however, imply an obligation on employers to recognise or to negotiate with any trade union. Where a trade union is not recognised, trade unions may, under the terms of the Industrial Relations Acts (2001-2004), refer cases to the Labour Court to seek to have legally binding terms and conditions of employment established. Such a determination may be made where the terms and conditions are out of line with the norms for comparable employment. To date, cases taken by unions to the Court have been mainly situated in the Irish SME sector.

## ► II. Trade unions

### 1. P&MS UNIONS

There is one main trade union confederation in Ireland (*Irish Congress of Trade Unions* – ICTU). There were 55 unions affiliated to the Congress in 2008 with a total membership of 833,486, of whom 602,035 in the Republic and 231,451 in Northern Ireland. There are 33 Trades Councils, representing groups of unions at local/regional level, affiliated to the Congress covering both the Republic and Northern Ireland. In addition, the Congress Centres Network operates 25 centres, offering training and advisory services at local level.

A number of British based unions operate in the Republic and these unions must provide for control of Irish affairs to be vested in an Irish executive. Although ICTU plays an important part in national-level relations with government and employers’ organisations, it is more a grouping of independent and autonomous unions than a confederation that dominates and directs the unions belonging to it.

There are approximately 20 trade unions which are specific for P&MS or represent significant numbers of members in P&MS categories in Ireland. The “P&MS unions” have two bases of organisation: they cover either specific sectors of production or services, or specific qualifications or professions.

#### ***Specific unions for professions:***

- *Civil servants:* Association of Higher Civil and Public Servants (AHCPS), Public Service Executive Union (PSEU)
- *Professors and teachers:* Association of Secondary Teachers (ASTI), Irish National Teachers Organisation (INTO), Irish Federation of University Teachers (IFUT), Teachers Union of Ireland (TUI);
- *Medical staff:* Irish Nurses Organisation, Irish Medical Organisation, Medical Laboratory Scientists Association, Veterinary Surgeons (Veterinary Ireland)
- *Others:* Irish Bank Officials organizations, Communication Workers’ Union, National Union of Journalists

#### ***Unions covering sectors where P&MS are relatively important:***

- *Services Industrial Professional Technical Union (SIPTU):* It is the largest union in Ireland. SIPTU organises and represents working people in a wide variety of grades and in specialist, technical and professional levels in public, private and community sector employment.

- ▶ *Irish Municipal, Public and Civil Trade Union (IMPACT)*: IMPACT is Ireland's largest public service union. Most of the members are public servants working in health, local authorities, education, the civil service, and non-commercial semi state organisations. It represents staff in hundreds of different jobs and professions including clerical and administrative staff, professional and technical staff, health professionals and others.
- ▶ *UNITE*: the Union was formed in May 2007 following a merger between the T&GWU and AMICUS and is currently the largest union in the UK and Ireland with 2 million members. It represents members in wide ranging sections of industries including transport, public services, manufacturing, finance, clerical, IT, agriculture, construction, power & engineering, aviation, food, drink & tobacco and health to name but a few.
- ▶ *Technical Engineering and Electrical Union (TEEU)* is the largest engineering union in Ireland and the second largest in manufacturing representing up to 45,000 workers. The TEEU represents a wide range of workers throughout industry and public service. Its membership includes craft workers, technicians, specialists, skilled operatives, general workers, technical, administration, supervisory and managerial staff.

Each union has its own structure depending on size, homogeneity of membership and culture.

Some unions, e.g. SIPTU are large general unions which have special branches for P&MS members – energy sector engineers, local authority engineers, lecturers, actors, etc. Each branch conducts its own affairs and has full-time officials negotiating for its members. Each branch is subject to national rules, policy and administration. Specialist P&MS unions, e.g. university teachers have a branch for each college. Others, e.g. secondary level teachers union, have branches which are geographically based.

## 2. REPRESENTATION

Public service P&MS unions have over 90% of the relevant category in membership. Private sector unions represent 25% of all private sector workers, although this varies from industry to industry.

The European Information and Consultation Directive was transposed in Ireland in July 2006. Given that Ireland had no prior statutory provision for employee information and consultation, a major new piece of legislation was implemented: the Employees (Provision of Information and Consultation) Act 2006. The main features of the Act are:

- ▶ a 10% employee trigger mechanism required for negotiations setting up an information and consultation structure (applications either directly to employer or to Labour Court in confidence), unless employers volunteer to introduce information and consultation (IC) arrangements or an arrangement is in place, pre-existing implementation of the act;
- ▶ As intended in the Directive, trade unions are not the sole channel for employee representation;
- ▶ If a negotiated settlement is not possible, standard fallback rules providing for elected representative information and consultation forums (along the lines of employee representative works councils);

The Directive has had until now very little impact on industrial relations practice on the ground. Much of this is attributable to the perceived minimalist nature of the Irish transposing legislation.

### **3. SERVICES AND ACTIVITIES**

Trade unions represent members both individually and collectively on every level. Wages, pensions, job security and safety are typical issues.

### **4. OTHER PROFESSIONAL ORGANISATIONS**

P&MS categories, in addition to trade unions, often have professional bodies to represent their interests, such as the Institute of Engineers of Ireland, Irish Association of Social Workers, etc. These bodies are more concerned with professional standards, ethics, regulations governing their profession, etc. and do not concern themselves with pay and conditions. Trade unions organise political lobbying for P&MS categories as well as negotiating on their behalf with employers.

There is no competition between trade unions and professional bodies. They have distinct functions and it is common to be a member of both. There is not much cooperation between them either – they generally plough parallel but separate furrows. Professional bodies have a very low profile and their activities are largely internal – i.e. raising interest and awareness among their own members of professional issues. Trade unions have a very high profile and are constantly engaging with employers, government agencies, other trade unions, etc. on all issues of concern to their members.

The police and army are legally debarred from joining trade unions but do have representative associations. Although not trade unions, these bodies do engage in collective bargaining as they are 'excepted bodies' and, as such, exempt from the requirement to hold a negotiating licence. The main such bodies are the Garda Representative Association (GRA) and the Garda Sergeants and Inspectors Association (AGSI). These are affiliated to the Irish Conference of Professional and Service Associations. In recent years there have been demands to allow these associations to become registered trade unions and affiliate to the ICTU.

## ► III. Collective bargaining

### 1. STRUCTURE OF BARGAINING

#### *National partnership*

Ireland has a national collective bargaining system. In 1987 the first such centralised agreements (or social pacts) were negotiated. This agreement - the Programme for National Recovery (PNR) - was a response to the deep fiscal crisis experienced in the mid 1980s. The subsequent agreements established an institutionalised multipartite system of social partnership extending into the broad field of economic and social policy that has persisted to date. This national-level partnership involves a combination of consultation and negotiation between employer organisations, farmer representatives, trade unions, the government and a community and social pillar.

The ICTU, employers' organisations, government and farm organisations negotiate comprehensive national agreements for a three-year period. These agreements cover annual pay increases, social policy on education, health and social security, taxation changes, and issues such as childcare, equality, disability, changes to labour law etc.

#### *Public sector*

The public sector is covered by its own specific national pay review bodies, established by the Irish government, as follows: first of all, the pay of approximately 1,600 senior politicians and public servants is set by the Review Body on Higher Remuneration in the Public Sector. The Review Body acts as a standing body to advise the government on the general levels of remuneration appropriate to: members of the government, ministers of state, the ju-

diciary; civil servants outside the scope of the civil service conciliation and arbitration scheme, higher management grades in the local authorities and health service executives not covered by the Public Service Benchmarking Body process, senior police and defence force officers, the chief executives of non-commercial state-sponsored bodies; and hospital consultants. The last higher pay review took place in 2007.

As well as national wage deals, since 2001, the pay of over 200,000 lower level public service employees has been regulated by the government-appointed Public Service Benchmarking Body (PSBB), which operates in a similar manner to the higher public service remuneration body. However, the future of this public service benchmarking is currently uncertain after the PSBB, in its second report published in January 2008, recommended no pay increases for the vast majority of public servants (they still receive whatever is agreed by the social partners under national wage deals).

### ***National minimum wage***

Ireland's statutory national minimum wage (NMW) was introduced in April 2000. As things stand, the Labour Court decides whether an increase is appropriate (after examining submissions made by interested parties), but the final decision rests with the Minister for Enterprise, Trade and Employment. The statutory national minimum wage law applies to all workers in Ireland.

## **2. COVERAGE AND TRENDS**

P&MS have no separate bargaining structures other than the excluded categories mentioned (armed forces and police, civil and public servants, doctors, senior managers and self-employed). The terms of nationally negotiated agreements are applied to these categories, many of whom have close contact with ICTU unions.

With the notable exception of the construction sector, industry level bargaining is not a feature of Irish collective bargaining. Outside the national agreements, negotiations normally take place at organisation level between trade unions and individual employers, with the latter usually represented by an employers' organisation. Such agreements are not applied automatically but are normally applied at local level.

The current system of national collective bargaining has been in operation since 1987 and has delivered substantial real pay increases for all workers as well as providing a structure for trade union input into government policy at economic and social policy. Partnership structures were also introduced into the workplace.

The current international economic crisis together with the dramatic decline in the construction sector (to which Ireland was overexposed) has led to a substantial decline in the tax base. Unemployment has risen from 5% to 11% and is likely to continue to increase. P&MS workers made redundant from modern jobs in the pharmaceutical, technological and tourism sectors form a greater share of the unemployed than previously. The government has reneged on the current pay deal (6% over 27 months) and imposed a special levy on public service pay together with substantial increases in taxation. The international decline has also seriously eroded the value of pensions. Over 90% of private pension schemes may not be funded in compliance of their requirements.

## ► IV. Industrial conflict

Strike levels and their impact, as measured by working days lost (WDL), have declined considerably since the mid 1980s in both the public and private sectors.

The Irish system of industrial relations is furthermore characterised by very high usage of both collective and individual dispute resolution bodies.

There are two main dispute resolution bodies dealing with collective industrial relations. The Labour Relations Commission (LRC), established in 1990, is the main state institution. Among other functions, it provides conciliation, mediation and advisory services. The LRC also provides a rights commissioner service, which deals with both individual employment law disputes and industrial relations disputes. The second main institution is the Labour Court, which, despite its name, is not a court in the legal sense. This is illustrated by the fact that its membership is drawn from industrial relations practitioners, its use is generally optional, and its proceedings non-legalistic. Its main function is to make recommendations for the resolution of labour disputes and it is considered to be 'the court of last resort'. Although these recommendations are generally non-binding, in recent years efforts have been made in certain disputes to introduce binding arbitration. In addition to its role in collective



disputes, the Labour Court has a role in adjudicating on some individual employment law disputes, notably in the area of equality, and in such cases its decisions are binding on the parties - subject to any appeal to the civil courts.

## ► V. Social dialogue

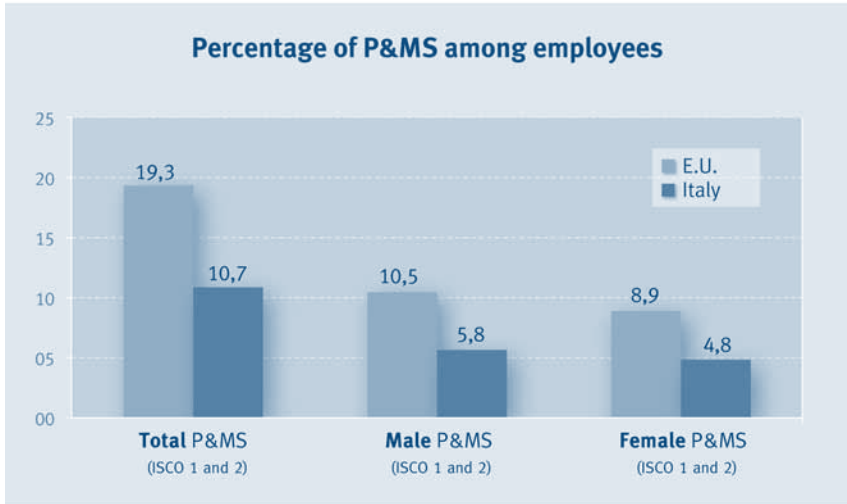
One of the key benefits of the institutionalisation of centralised agreements since the mid-80s has been the opportunity for longer-term policy formulation. This policy concertation has seen a focus on economic and social policy making through the involvement of government, employers, trade unions and consultative fora. There are three main consultative bodies: the National Economic and Social Council (NESC), the National Economic and Social Forum (NESF) and the National Centre for Partnership and Performance (NCPP). There is a tradition of such bodies dating back to the 1960s, which can be regarded as part of a social corporatist structure. They aim at integrating economic and social objectives. These operate under the umbrella of the National Economic Social Development Office (NESDO). NESDO exists to provide administrative support to the three bodies and to facilitate and promote complementary programmes of research, analysis and discussion.



[ Chapter 13 ]



# Italy



In Italy 1,833,000 P&MS correspond to 10,7 % of employees  
(Source EUROSTAT, labour force survey 2007)

## ► I. Definition

Law N° 190 of 1985 amended Article 2095 of the Civil Code by adding a fourth category of ‘subordinated labour’ to the three previously existing: *operai* (blue-collar, or manual workers), *impiegati* (white-collar clerical workers), and *dirigenti* (managers, executives). That fourth category in Italy is called *quadri* (middle management). It is the largest among P&MS, and is defined by two general criteria:

- not belonging to the *dirigenti* category
- and ‘continuous’ performance of functions of ‘significant importance to the development and achievement of the company’s targets’.

The precise definition of the criteria to be met in order to belong to this category is determined by collective bargaining within each sector or company. The important role of bargaining has led to a variety of definitions that relate to each branch of production and the particular organisational structure of the enterprise or the different characteristics of task distribution in the various sectors. The *quadri* are usually characterised as the highest level of occupational classification in each production sector. The term *quadri* was initially

used in relation only to the private and not the public sector of the economy, but this division has disappeared.

Workers who are in charge of running the enterprise or a large and independent part of it, with full autonomy within the employer's general directives, are described as *dirigenti* ('top managers'). They are not protected by the usual provisions concerning rest days or maximum working hours and can be hired for a specific period and dismissed without any restrictions. Union representation and collective bargaining is separate from that of other categories of worker, as is their social security.

P&MS have the same collective labour law rights as other employees. However, they have the possibility to conclude 2<sup>nd</sup>-level collective agreements (i.e. national collective agreements only for P&MS within existing bargaining settlements).

## ► II. Trade unions

### 1. P&MS UNIONS

The majority of unionised workers are affiliated through their sectoral organisations (*organizzazioni di categoria*) to the three main confederations:

- a. the General Italian Confederation of Labour (*Confederazione Generale Italiana del Lavoro* – CGIL),
- b. the Italian Confederation of Workers' Unions (*Confederazione Italiana dei Sindacati dei Lavoratori* – CISL) and
- c. the Italian Union of Labour (*Unione Italiana del Lavoro* – UIL).

These three major Italian trade union confederations each have their own organisation for professional and managerial staff:

- *AgenQuadri*/CGIL,
- *Associazione Progetto Quadri ed alte Professionalità*/CISL,
- *Confederazione Italiana Quadri*/UIL.

The three major confederations played an important role in drawing up the 1985 law.

Associations of Professional and Managerial Staff affiliated have their own organisations within sectoral unions. Specific P&MS organisations introduced special provisions for management into all the national collective agreements, or at least provisions for recognising this category or status, while promoting the aim of maintaining unified bargaining for all employees. These associations are independent of confederal unions in terms of their organisation. They also follow a policy aimed at protecting professional minorities, and maintain close links with the sectoral unions which in Italy are those empowered to conduct bargaining. However, the P&MS organisations do not have direct bargaining powers. Their purpose is to promote the role of middle managers and highly skilled workers and to obtain professional and career recognition in national and company collective bargaining.

## 2. REPRESENTATION

In Italy there are no criteria or rules governing the recognition of union representativeness. Consequently, there are no valid data available, but only estimates of the level of representation. Trade union density in Italy is in general estimated to be above the EU 25 average: around one third (34%) of employees are members of a union. The unions also count a large group of retired people as members.

As far as company representation is concerned, there is no specific body for P&MS. They participate in the Unitary Union Representations (RSU) together with other groups of workers. In order to guarantee an adequate composition of representation, the Interconfederal Agreement for the creation of the RSU of 20 December 1993 provided that, in the event of a significant incidence on the occupational basis of the production unit, professional and managerial staff would also be taken into account for the establishment of constituencies. A subsequent agreement between the CGIL, CISL and UIL provided for the possibility of creating specific constituencies for Professional and Managerial Staff.

Another important union is FABI (*Federazione Autonoma Bancari Italiani*, a trade union representing bank and insurance P&MS and other employees). The union is affiliated to UNI as well as to *EUROCADRES*, but not directly to ETUC.

### 3. SERVICES AND ACTIVITIES

The P&MS associations in the three major trade unions provide both individual and collective services. For instance:

- ▶ representation of interests (for example, participation in the drafting of bargaining demands);
- ▶ information on issues pertaining to the role of professional and managerial staff within the company (for instance, through newsletters, websites, specific workshops, etc);
- ▶ training (information on courses, training courses organised by the various associations);
- ▶ legal and tax assistance;
- ▶ outplacement and skill assessment information;
- ▶ arrangements relative to specific services.

### 4. OTHER PROFESSIONAL ORGANISATIONS

In a context of trade union freedom, Italy has numerous P&MS organisations, purporting to be professional associations but historically rooted in the desire to antagonise the confederal trade unions based on principles of solidarity among workers. There are about 24 such organisations, mostly related to companies or sectors, the most prominent of which are *UnionQuadri*, *Confederazione Unitaria Quadri* and *ConfederQuadri*. There are also engineers' associations such as CNI (*Consiglio Nazionale degli Ingegneri*).

*Dirigenti* traditionally have their own representative union organisations: these are considered as professional associations and organised in macro-sectors of activity (for instance: the CIDA for industry, FENDAI for commerce and services, DIRSTAT and the CONFEDIR for public-sector employment, etc). The services provided range from the representation of interests during collective bargaining to supplementary pension schemes, non-judicial settlement of disputes and outplacement and training services.

To cope with the problem of their small membership, *dirigenti* union organisations have decided to extend their representation to include *quadri*, a step which causes competition with the P&MS organisations of CGIL, CISL and UIL.

## ► III. Collective bargaining

### 1. STRUCTURE OF BARGAINING

In the Italian system, collective bargaining is divided into two levels, the national level and the decentralised level. The latter includes company-wide bargaining (for medium-sized and large enterprises) or area-wide bargaining (for small and medium-sized enterprises). Similar bargaining issues may be dealt with at both levels, but any issue that has been settled by agreement at the higher national level may not be subject to decentralised bargaining. Decentralised bargaining is used to regulate detailed and non-repetitive issues as opposed to those regulated by the National Labour Collective Agreement.

In terms of pay questions, for instance, each level has its own statutory powers. Whereas the national sectoral level is concerned with protecting the purchasing power of wages, the company or territorial level deals with wage increases deriving from productivity gains calculated according to parameters set by the social partners.

Organisations that represent professional and managerial staff are normally not entitled to participate in collective bargaining. This is the task of the sectoral unified union organisations. Nevertheless, professional and managerial staff participate in union delegations during bargaining in order to better represent the interests of the P&MS in each sector or company.

Collective bargaining for *dirigenti* is separate from that of other workers. There is only one National Labour Collective Agreement covering *dirigenti* in all industrial sectors, with separate agreements for the other macro-sectors, i.e. agriculture, commerce, credit, insurance and the public sector.

### 2. COVERAGE AND TRENDS

Coverage is fairly high (around 80% of workers are covered by a collective agreement). There have been some pressures on the system, but no new structure has emerged.

Important bargaining issues from the P&MS side are still:

- Training and retraining facilities
- Rules for variable and performance-related pay



- ▶ Definition of working hours: duration and overtime (experiments with working time accounts)
- ▶ Mobility

In this regard, co-ordination between the P&MS organisations to raise these specific issues at the bargaining table is very important.

More specifically, Italian P&MS unions propose a reform of Law 190 according to the following guidelines:

- ▶ redefinition of highly skilled professional profiles in keeping with new developments in the system of public and private enterprises,
- ▶ extension of the rules concerning the Public and Administration sector,
- ▶ protection of the right of representation,
- ▶ ensuring that the law is enforced, entailing sanctions where it is not,
- ▶ setting up a National Observatory to cover P&MS with the task of undertaking research and programming policy as well as verifying the application of the law.

## ▶ IV. Industrial conflict

Strike activity in Italy is higher than the EU average. To a large extent, this has to do with the fact that, as in other Southern European countries, this instrument is used as a form of political protest about government actions.

However, P&MS issues play no specific role in most of these strikes.

## ▶ V. Social dialogue

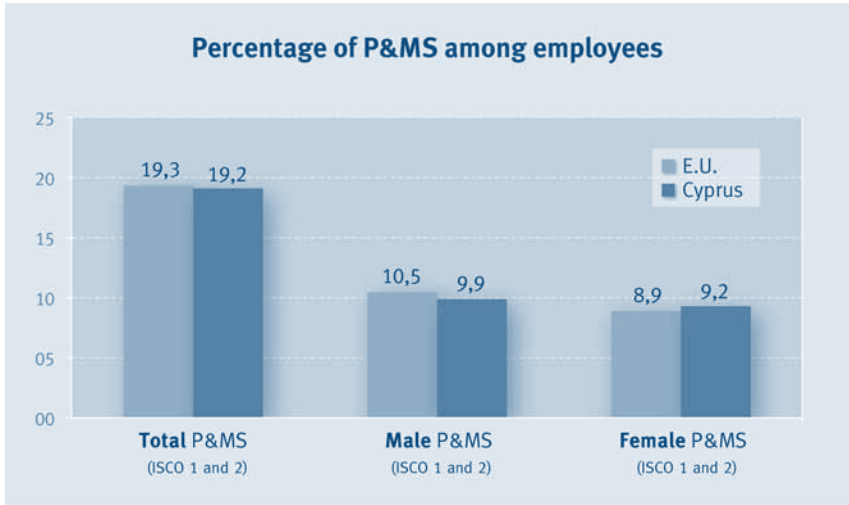
No specific bodies exist for P&MS. Even if there is no institutionalised way of policy concertation, it has been an instrument of major importance from time to time at the general level of Italian industrial relations. In recent times, a range of tripartite social pacts have been bargained.



[ Chapter 14 ]



# Cyprus



In Cyprus 58,000 P&MS correspond to 19,2 % of employees  
 (Source EUROSTAT, labour force survey 2007)

## ► I. Definition

There are no specific definitions in labour law to define professional or managerial staff.

There are also no legal limitations or labour law peculiarities in the case of P&MS (or sub-groups) with respect to trade union rights (association, strike, bargaining, etc.).

## ► II. Trade unions

### 1. P&MS UNIONS

Cyprus has a high level of trade union organisation – about 70% – with two major trade union confederations, the Pancypriot Federation of Labour – PEO (2001: 63,871 members) and the Cyprus Employees Confederation – SEK (2001: 64,733 members), as well as important autonomous unions representing public-sector workers, bank employees and teachers. P&MS are members of these unions and no separate or specific unions exist for them.

The main national trade unions are the PEO, the SEK, the Democratic Labour Federation of Cyprus – DEOK, and the Independent Trade Unions – POAS. The dominating and single union of the banking sector is the Union of Cyprus Banking Employees – ETYK.

The public sector is dominated by four unions. These are:

- ▶ the Pancyriot Union of Public Servants (PASYDY, 2001: 26,498 members), representing civil servants, which is by far the biggest and strongest trade union in membership and the most powerful in the public sector.
- ▶ the Pancyriot Organisation of Greek Teachers (POED), representing elementary school teachers.
- ▶ the Organisation of Greek Secondary Education Teachers (OELMEK), representing high school teachers.
- ▶ the Organisation of Greek Technical Education Teachers (OLTEK).

PEO is the oldest union in Cyprus, which is of particular importance for blue-collar workers, the semi-skilled and skilled workers. SEK is a confederation of the unions in the public utilities sector. Finally, DEOK, though small in terms of membership, is influential in terms of bargaining power.

There is a tradition of pluralism in unionism, as well as strong ideological links between unions and political parties. Nevertheless, despite ideological and political differences or different affiliations, the trade unions in the private and semi-public sectors are co-ordinating their efforts, and so far, they have been particularly effective in jointly promoting the rights and interests of their members.

## 2. REPRESENTATION

Several sectors have more than one confederation of unions. Those confederations compete within the sector on political grounds. Sector-based unions are predominant.

Workplace representation is single-channel and union-based. The local union organisation at the workplace deals with day-to-day issues, such as employee grievances, and it should be consulted on major changes. Workplace union representatives are elected in line with union rules. The typical term of office is one year. The EU directive on information and consultation has been implemented through the requirement for existing employee representatives at the

workplace – the unions – to negotiate appropriate practical arrangements for informing and consulting employees.

## ► III. Collective bargaining

### **1. STRUCTURE OF BARGAINING**

Industrial relations in Cyprus are largely conducted on the basis of voluntary agreements, of which the most important is the 1977 Industrial Relations Code. As a result of this voluntarist tradition, no legal extension mechanism exists in relation to collective agreements. Collective bargaining in Cyprus takes place at both industry and company levels. The Ministry of Labour lists 13 industry-level agreements in the private sector on its website, which in total are estimated to cover 27% of the workforce. Although industry-level bargaining continues to be important, many companies outside the coverage of the industry-level agreements negotiate at company level. The unions estimate that there are more than 450 company-level agreements. In other words: collective bargaining remains largely decentralised, although no precise data exist on the number of agreements concluded.

In addition, there is widespread collective bargaining in the public and semi-public sectors. Overall, around three quarters of all employees are covered by collective bargaining in some form.

Industry-level negotiations are conducted between the appropriate industrial federations, or in some industries, such as banking, the autonomous union and the relevant employers' association. At company level, the parties are the employer and the local trade union, generally through the full-time union official, with the involvement of the union representatives in the company.

Agreements normally last two years, although this period is sometimes extended to three years, at both industry and company levels.

P&MS fall under the same collective bargaining structure as other employees.

## 2. COVERAGE AND TRENDS

Collective bargaining coverage is estimated at around 75% in Cyprus. Pay is the dominating issue, which is also the case for P&MS.

Overall, there is a trend towards more company/plant-level bargaining.

## ► IV. Industrial conflict

Strike figures are above average compared to other EU countries. There has also been no particular downward trend in recent years. Strikes are very often related to collective bargaining. Recent examples (related to professional staff) are from the public sector: hospitals and water authority workers.

## ► V. Social dialogue

There are no specific tripartite bargaining bodies for P&MS.

The formulation and implementation of almost all proposals and policies regarding industrial relations has been, and still remains, the result of social dialogue between the government, employers' organisations and trade unions.

Co-operation between the three parties is achieved through technical committees and other bodies with tripartite representation. The main body is the Labour Advisory Body. Currently, more than 50 tripartite technical committees and councils are functioning in the context of initiatives and actions taken by the different ministries. Social dialogue is regarded by the social partners as very positive. Tripartite social dialogue in Cyprus is regarded as an important goal to strive for.

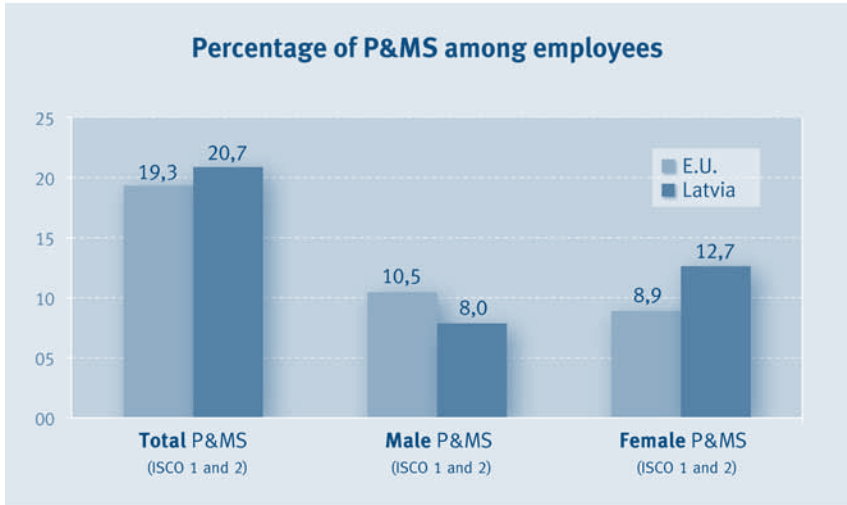




[ Chapter 15 ]



# Latvia



In Latvia 207,000 P&MS correspond to 20,7 % of employees  
(Source EUROSTAT, labour force survey 2007)

## ► I. Definition

Some professions, such as civil servants, legislators in national and local governments, judges, teachers and doctors are defined in specific laws (e.g. State Civil Service Law, Education Law or Medicine Law) which also determine the preconditions for taking up one of these professions. However, Latvian labour law does not provide a general definition of professional and managerial staff.

The Constitution of the Republic of Latvia provides for the right to association and to conclude collective agreements for all employees, and thus also for professional and managerial staff. Neither labour law nor any other statutory regulation contains any restrictions on the right to association or the right to conclude collective agreements. There is some discussion in Latvia, though, concerning collective bargaining for civil servants. In the civil service, wages and bonuses are normally determined by law and simply taken over in the collective agreements. The Latvian trade union confederation, however, argues that civil-service collective bargaining should allow unions to negotiate higher wages and bonuses than set down in the law – otherwise collective bargaining would be absurd.

There also exist some restrictions on the right to strike. The special law “On Strikes” stipulates that specific professions, such as judges, prosecutors, the

police, the fire service, prison guards and the armed forces are exempted from the right to strike. Like any other profession, too, professional and managerial staff have information and consultation rights at workplace level.

## ► II. Trade unions

### 1. P&MS UNIONS

In Latvia, only one trade union confederation is officially recognised by the government. The Free Trade Union Confederation of Latvia (*Latvijas Brīvo arodbiedrību savienība* – LBAS) has around 151,000 members (2007); 21 industry-level trade unions are affiliated to it. Among them are the largest trade unions, LIZDA (*Latvijas izglītības un zinātnes darbinieku arodbiedrība*), which is active in the education and science sector (44,986 members, 2007), LVSADA (*Latvijas Veselības un sociālās aprūpes darbinieku arodbiedrība*) for those working in health and social work (16,442 members, 2007) and LAKRS (*Latvijas sabiedrisko pakalpojumu un transporta darbinieku arodbiedrība*) for public service employees (16,000 members).

Yet there are also more than 100 registered trade unions, mostly very small, not affiliated to LBAS, even though less than a quarter of these trade unions are active.<sup>1</sup>

Latvia has no trade unions specifically set up to organise professional and managerial staff. Thus, P&MS are represented by their respective trade unions in the same way as all other employees.

Besides trade unions, Latvian labour law also provides for the election of workplace representatives who are also authorised to conclude collective agreements. These “authorised workplace representatives” can be elected in a company or an organisation employing five or more workers. Beyond this rule, no further regulations concerning the number of “authorised workplace representatives” exist. “Authorised workplace representatives” must be elected by half of all employees and by simple majority vote. However, unions remain the main actors in the representation of employees’ interests,

<sup>1</sup> Fulton, L. ‘Worker representation in Europe’, ETUI/REHS,  
[http://www.worker-participation.eu/national\\_industrial\\_relations/countries/latvia](http://www.worker-participation.eu/national_industrial_relations/countries/latvia)

even though union membership is low. Most workplaces have no employee representation at all.<sup>2</sup>

## 2. REPRESENTATION

Trade union density among P&MS ranges between 15 and 30% in Latvia and is predicted to decline sharply within the next five years.

# ► III. Collective bargaining

## 1. STRUCTURE OF BARGAINING

Collective bargaining also encompasses P&MS, they are not represented separately in Latvia. Even though collective bargaining might take place at industry, regional and company or organisational level in Latvia, collective agreements are mainly concluded at company/organisational level, with only a minority of collective agreements being concluded at industry level. As of early 2006, only 21 industry-level agreements existed, compared to more than 2,400 company or organisational agreements.<sup>3</sup>

Industry-level collective agreements are binding only on the companies or organisations that are members of the negotiating employers' organisations. However, the Latvian Labour Code provides for the possibility to extend a collective agreement to the whole industry if the employers' representatives involved in the negotiation cover more than 50% of the employees working in the sector, although this rule has never actually been applied.<sup>4</sup>

Latvian labour law stipulates that in order for a collective agreement to be valid in a company or organisation, a general meeting of the employees must be held. The collective agreement is put to the vote and approved if at least half of all employees participate and a simple majority vote in favour of the collective agreement. Difficulties might occur if unionisation at the company or organisation is low, as half of all employees have to attend the general meeting.

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2 Fulton, L. 'Worker representation in Europe', ETUI/REHS,  
[http://www.worker-participation.eu/national\\_industrial\\_relations/countries/latvia](http://www.worker-participation.eu/national_industrial_relations/countries/latvia)

3 Fulton, L. 'Worker representation in Europe', ETUI/REHS,  
[http://www.worker-participation.eu/national\\_industrial\\_relations/countries/latvia](http://www.worker-participation.eu/national_industrial_relations/countries/latvia)

4 Fulton, L. 'Worker representation in Europe', ETUI/REHS,  
[http://www.worker-participation.eu/national\\_industrial\\_relations/countries/latvia](http://www.worker-participation.eu/national_industrial_relations/countries/latvia)

The main issues dealt with in collective bargaining are pay and working time, but account is also taken of aspects such as training, the terms under which employees are taken on and laid off, employees' social benefits, procedural issues and the organisation of work.<sup>5</sup>

Under Latvian labour law, the employees of a company can be represented by more than one trade union. In this case, rivalry and competition may occur between the unions, which complicates not only the business of organising employees' representation in the bargaining process but also the conclusion of collective agreements.

There is no data available on the collective bargaining coverage of professional and managerial staff in Latvia, and thus changes to P&MS coverage within the next five years cannot be predicted. However, general collective bargaining coverage is thought to amount to approximately 16%.

## ► IV. Industrial conflict

Within the last 10 years there has been only one strike in Latvia, by the Health and Social Care Workers Trade Union in late October 2008. Even though this two-day strike can be regarded as a first step to call attention to low wages, only a small number of workers participated. As a consequence, the strike did not yield any results.

## ► V. Social dialogue

There is no specific tripartite body for professional and managerial staff in Latvia. However, P&MS are represented in the National Tripartite Cooperation Council, which is composed of representatives of the government, the trade unions and employers' organisations. It is divided into seven sub-councils dealing with specific aspects, such as labour issues, health and safety, social security or vocational training, and discusses the national minimum wage.

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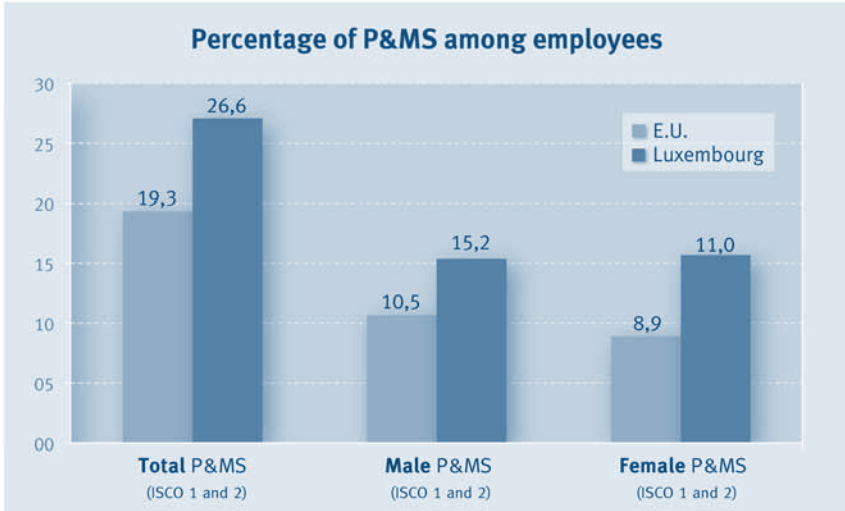
<sup>5</sup> Fulton, L. 'Worker representation in Europe', ETUI/REHS,  
[http://www.worker-participation.eu/national\\_industrial\\_relations/countries/latvia](http://www.worker-participation.eu/national_industrial_relations/countries/latvia)



[ Chapter 16 ]



# Luxembourg



In Luxembourg 50,000 P&MS correspond to 26,6 % of employees  
 (Source EUROSTAT, labour force survey 2007)

## ► I. Definition

In Luxembourg there has traditionally been a legal definition of the status of blue-collar workers and a law on the rights and interests of private employees (white-collar workers). Laws on the status of private employees are grouped together in a coordinated legal text. For private employees, a law amended on 12 June 1937 reforming the law of 31 October 1919 regulates the employment contracts of private employees, including such matters as legal working time.

Professional and managerial staff are not legally defined in Luxembourg, the only reference to them in labour law being in Article 5 of the law of 12 June 1965 on collective labour agreements. This article sets out the conditions of work and pay for employees in senior management not covered by the collective agreements concluded for all employees. Some collective agreements, however, give a more detailed definition of the different professional and managerial jobs or the scope of the collective agreement for this category of employee. These few collective labour agreements chiefly regulate the position of professional and managerial staff in the industrial sector.



Importantly, the law on the single employment status, published on 15 May 2008, came into force on 1 January 2009, although the provisions governing the setting up of new institutions or the election of staff delegations have been enforceable since 15 May 2008. The law modifies the Labour Code and the Social Insurances Code, which becomes the Social Security Code in order to emphasize the preventive aspect of social security bodies' action. The law ends the distinction between blue-collar and white-collar workers. Many of the changes effectively repeal the regime applicable to blue-collar workers and assimilate them into the regime previously applicable to white-collar workers. The most important areas of harmonisation are:

- ▶ *Severance pay*: Hitherto, both categories of worker who were made redundant with notice were entitled to one, two or three months of salary if they had served five, 10 or 15 years respectively. White-collar workers who were made redundant with notice were entitled to six, nine or 12 months of salary for 20, 25 or 30 years' service respectively, but no such payments were made to blue-collar workers. Severance payments for blue-collar workers with more than 20 years' service have now been aligned with those previously payable only to white-collar workers.
- ▶ *Sickness leave*: The employer must in all cases be responsible for an employee's first 77 days of sickness during a 12-month reference period.

Nevertheless, under the new rules it remains possible to exclude (for objective reasons) from some provisions of the collective bargaining agreement employees who are responsible for management and supporting functions not directly linked to the main activity of the company or sector. In particular, this is the case regarding conditions related to hiring and dismissal, working hours, public holidays, annual leave, wages and night-shift work or hard work.

## ▶ II. Trade unions

### 1. P&MS UNIONS

There are two large general trade union confederations in Luxembourg:

- ▶ The ***Confédération générale du Travail du Luxembourg*** (CGTL), which brings together the OGBL (***Confédération syndicale indépendante du Luxembourg***, 60,000 members), FNCTTEL (transport, civil servants and white-collar workers). It unites around 80,000 members and is a non-aligned trade union body.

- ▶ The **Confédération luxembourgeoise des Syndicats chrétiens** (LCGB) has 33,000 members and is based on Christian trade unionism.

The two large Luxembourg trade union organisations group their professional and managerial members into:

- ▶ the P&MS Committee of the CGT/OGBL;
- ▶ *Perspectives* LCGB.

Three other trade union organisations also have P&MS sections:

- ▶ The **Confédération Générale de la Fonction Publique** (CGFP), with more than 4,000 members, including civil servants, secondary school teachers and teachers in higher education, and managerial staff in the police force;
- ▶ The **Association Luxembourgeoise des Employés de Banque et Assurance**, (ALEBA)
- ▶ The **Fédération Générale des Fonctionnaires Communaux** (FGFC).

To be representative at a general national level in Luxembourg, a trade union must at the previous two elections to the Chambers of Labour have won an average of 20% of the vote among blue-collar and white-collar workers, and an average of 15% of the vote in each of the two categories. A trade union claiming nationally representative status must also be functionally active in most branches of economic activity. These conditions for obtaining national representative status were formulated by the new Industrial Relations Law of 2004. The detailed stipulations followed after a period of consecutive court cases by unions representing specific categories of professional and managerial staff (for example ALEBA) to obtain this national status of representativeness (and the accompanying membership of social consultation institutions, see below).

## 2. REPRESENTATION

The rate of unionisation of professional and managerial staff is estimated at around 25%, with general union density being between 45 and 50%.

Except in the smallest workplaces (with fewer than 15 employees), workers have a legal right to representation at work. The central tool is the personnel delegation (*délégation du personnel*), which is directly elected by all employees. In larger companies (employing more than 150), there is another works council type body, the joint company committee (*comité mixte d'entreprise*). The employee representatives in this committee are chosen by the members of the personnel delegation.

There is a clear distinction of roles between the personnel delegation and the joint company committee. The personnel delegation is there to safeguard and defend the interests of the employees. The role of the joint company committee is to provide a forum in which employer and employees can work together to improve industrial relations in the workplace. The joint company committee has a mixed composition based on the parity principle.

Every 5 years, the personnel delegations are renewed on a fixed date in nationwide social elections. There are no special P&MS elections. They vote alongside private employees or civil servants.

### **3. SERVICES AND ACTIVITIES**

Professional and managerial staff benefit from the same services as all other trade union members, including advice, legal assistance, insurance and representation.

## **► III. Collective bargaining**

### **1. STRUCTURE OF BARGAINING**

In general, collective bargaining in Luxembourg takes place at sectoral or company level. Agreements may cover all aspects of work, including wages. However, there are no agreements on the particular subject area or relating specifically to professional and managerial staff: P&MS are covered by the general agreements applicable to employees (private sector) or civil servants (public sector).

Senior executives are excluded by Article 5 of the Law of 12 June 1965 from collective labour agreements. However, there is no clear and precise definition of senior executives. There is also a trend towards extending this exclusion to all professional and managerial staff.

There is an ‘erga omnes’ or ‘toward all’ effect of collective agreements in Luxembourg: if an employer is bound by an agreement, its provisions regulate the terms and conditions of the employment relationships of all his or her employees, even non-unionists, with the exception of senior executives. There is also a process of the extension of collective agreements at sectoral

level: such an agreement is generally binding on all employers and employees in the occupation or branch concerned. But because sectoral agreements are rare in Luxembourg, a lot of employees, mainly in small firms, are excluded from collective bargaining.

## **2. COVERAGE AND TRENDS**

A total of approximately 250-300 collective agreements are currently in force in Luxembourg, mainly at company level. Some 100 agreements are renewed each year. The two main sectors, banking and insurance, have a sectoral agreement which is renegotiated every two or three years.

Approximately 60% of all employees in Luxembourg have their terms and conditions of employment regulated by collective bargaining, which is rather low compared to other Western European countries.

Wages, salaries and certain social benefits are automatically adjusted to the cost of living. At present, the sliding-scale system applied in Luxembourg provides for wages and salaries to be adjusted when overall inflation amounts to 2.5 percentage points of the cost of living index. The system was initially applied to the wages of civil servants and railway workers from 1921 onwards. In 1965 it became mandatory for collective agreements to include a sliding-scale clause. Finally the system was generalised in 1975. However, the government can suspend the automatic indexation in a period of economic downturn.

Legal standards exist for employees, whereas for professional and managerial staff the standards derive from sectoral and/or company collective agreements. Given that the Law of 12 June 1965 on collective agreements excludes the working conditions and pay of senior executives from being covered in collective agreements, there are no collective labour agreements in Luxembourg exclusively regulating the working conditions and remuneration of professional and managerial staff.

However, collective agreements do exist in some sectors where trade unions have succeeded in regulating conditions of work and pay, such as:

- ▶ the health and social work sector
- ▶ the hospital sector
- ▶ the civil service
- ▶ the railway service

Finally, under Luxembourg labour law, senior executives are automatically excluded from increased rates for additional hours worked. At present there are no systems for controlling the working time of this group of professional and managerial staff in Luxembourg.

In the absence of a legal basis to regulate the working conditions of professional and managerial staff, trade union organisations will in future try to work with the social partners to draw up a strict legal definition of professional and managerial staff in Luxembourg. It is a matter of including the working conditions and pay of professional and managerial staff in collective bargaining.

## ► IV. Industrial conflict

Industrial relations in Luxembourg are marked by ‘social peace’. Obviously, GDP per capita growth, which is among the highest in the world, largely explains the limited number of open social conflicts. Salaries, which are index-linked every year, are still generous (annual earnings are among the highest in Europe). The radicalisation of social demands is therefore the exception.

A complementary explanation can be found in the collective bargaining framework. Before industrial action can be taken, both employers and employees must have tried to negotiate a settlement: employers in Luxembourg are obliged to begin negotiations if asked to do so. Mediation by a National Conciliation Office (ONC) is mandatory in the event of a breakdown in bargaining and must precede any industrial action.

The system of industrial relations is furthermore unique because of the size of the country and the fact that half of the activities in the country are performed in three sectors: banking, insurance and metallurgy. Banking and insurance represent 45% of all economic activity.

## ► V. Social dialogue

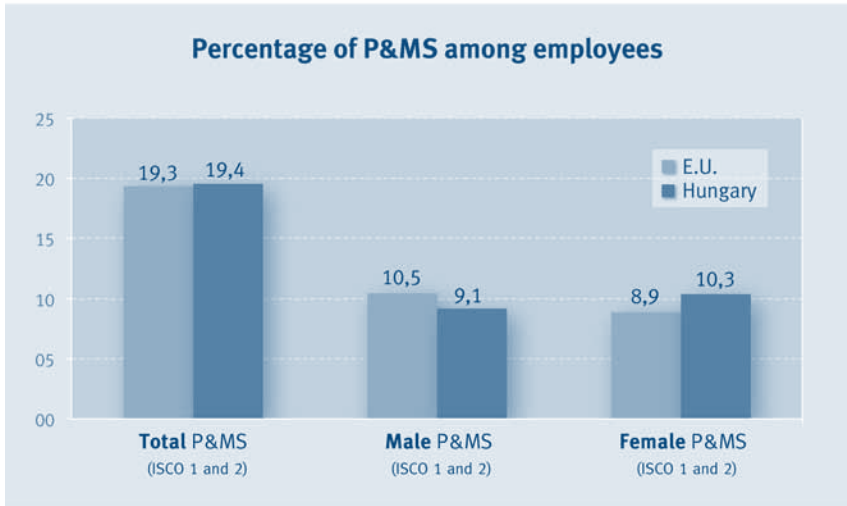
Tripartite consultation is important in the consensus-seeking ‘Luxembourg model’ and depends on a vast network of institutions. The two most important are:

- ▶ The Economic and Social Council, which is the Government's permanent consultative body for socio-economic matters, often at the first stage of drawing up drafts of law or other decisions. A 2004 law adapted the composition of the ESC and extended it to 39 members (18 members each for the employer and employee groups, plus 3 members directly appointed by the government). Officially established in 1966, but with some precursors since the 1930s, the mission of this institution is to study social, economic or financial problems affecting either several economic sectors or the national economy as a whole.
- ▶ The Tripartite Coordination Committee, which brings together representatives of employers, labour and the public authorities, and was created in response to the iron and steel crisis in 1977. The most important achievement of this committee was to enable the restructuring of the steel industry during the 1980s, with massive job cuts by ARBED. This tripartite system has developed from an effective crisis management tool into a consultation mechanism that systematically seeks consensual solutions for economic and social problems that do not necessarily constitute a crisis. In this Committee the government is directly present.

[ Chapter 17 ]



# Hungary



In Hungary 669,000 P&MS correspond to 19,4 % of employees  
(Source EUROSTAT, labour force survey 2007)

## ► I. Definition

Professional and managerial staff are considered to be employees like all other groups of employees in Hungary. However, the level of education is an important factor for civil and public servants, as it determines their salary level. In addition, special, i.e. higher, minimum wages exist for higher-grade university graduates.

Like any other group of employees, professional and managerial staff have the right to association, to strike and to conclude collective agreements, and information and consultation rights at the workplace. Specific rules, however, apply for civil servants and for professional staff employed by the armed forces. The latter do not have the right to strike, while special rules apply in regard to civil servants' right to strike.<sup>1</sup> Managers in Hungary are also exempted from the right to organise strikes.

<sup>1</sup> 'Industrial relations in the public sector Hungary', EIROnline 20.5.2008,  
<http://www.eurofound.europa.eu/eiro/studies/tno611028s/huo611029q.htm>



## ► II. Trade unions

### 1. P&MS UNIONS

In Hungary, six different confederations are acknowledged as representative trade union confederations. These are:

- the National Association of Hungarian Trade Unions  
(*Magyar Szakszervezetek Országos Szövetsége – MSZOSZ*)
- the Trade Unions' Co-operation Forum  
(*Szakszervezetek Együttműködési Fóruma – SZEFE*)
- the Autonomous Trade Unions  
(*Autonóm szakszervezetek szövetsége – ASZSZ*)
- the Confederation of Unions of Professionals  
(*Értelmiségi szakszervezeti tömörülés – ÉSZT*)
- the Democratic League of Independent Trade Unions (LIGA)
- the National Federation of Workers' Councils  
(*Munkástanácsok Országos Szövetsége – MOSZ*).<sup>2</sup>

While professional and managerial staff are represented in all of these confederations, ÉSZT organises higher-grade graduate employees, particularly in higher education and research institutes, and thus especially represents professional staff. SZEFE, on the other hand, represents professional and managerial staff employed in the public sector. ÉSZT and SZEFE have signed an agreement to co-operate in the public sector.<sup>3</sup>

### 2. REPRESENTATION

Trade union density among professional and managerial staff is estimated to amount to between 5 and 14% and is expected to remain the same within the next five years.

<sup>2</sup> 'Trade union membership falls further', EIROonline 01/07/2002, <http://www.eurofound.europa.eu/eiro/2002/06/inbrief/huo206102n.htm>

<sup>3</sup> 'Hungary. Industrial relations profile', European Foundation for the Improvement of Living and Working Conditions, <http://www.eurofound.europa.eu/eiro/country/hungary.pdf>

## ► III. Collective bargaining

Collective bargaining mainly takes place at company level in Hungary, but trade unions as well as the government support collective bargaining at industry level. However, nearly 98% of all collective agreements are bargained at company level, two thirds of which are public-sector agreements. Thus, in many companies no company-level collective agreements exist at all. Concerning the industry level, only 12 agreements exist, which mostly cover the public sector and major public utility companies.<sup>4</sup> One example of a sectoral agreement is the agreement covering higher education workers bargained by the Confederation of Unions of Professionals (ÉSZT).

As collective agreements mainly cover the public sector, professional and managerial staff employed there tend to have better collective agreement coverage than other P&MS.

The main issues negotiated in collective bargaining are pay and other benefits as well as working conditions.

There are no exact data available on the collective bargaining coverage of P&MS. Nevertheless, it is expected to remain the same in Hungary.

## ► IV. Industrial conflict

Only recently, two general strikes were held in the public transport sector. The Budapest Transport Company protested against planned service cuts and subsequent job losses. After lengthy negotiations, the company met all of the trade unions' work-related demands.<sup>5</sup> Another nationwide strike took place in the railway sector as wage negotiations failed in March 2008.<sup>6</sup> Professional and managerial staff participated in both strikes.

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4 Fulton, L. 'Worker representation in Europe', ETUI/REHS, [http://www.worker-participation.eu/national\\_industrial\\_relations/countries/hungary](http://www.worker-participation.eu/national_industrial_relations/countries/hungary). 'Hungary. Industrial relations profile', European Foundation for the Improvement of Living and Working Conditions, <http://www.eurofound.europa.eu/eiro/country/hungary.pdf>

5 'Strikes at Budapest Transport Company in bid to protect services and jobs', EIROnline 19/05/2008, <http://www.eurofound.europa.eu/eiro/2008/04/articles/huo804039i.htm>

6 'National strike at railway company over pay', EIROnline 24/03/2008, <http://www.eurofound.europa.eu/eiro/2008/02/articles/huo802069i.htm>

## ► V. Social dialogue

In Hungary, unions can influence developments in bargaining mainly through the National Interest Reconciliation Council (OÉT). The three parties involved in OÉT make recommendations on the national minimum wage as well as to bargainers at lower levels. The Council's recommendations are not binding, however.<sup>7</sup>

There are also special tripartite bodies dealing with P&MS issues in Hungary. Besides the National Interest Reconciliation Council (OÉT), the Bargaining Council of the Public Sphere (KÉT) and the Bargaining Council of Higher Education (FÉT) deal especially with health and safety issues and equal opportunities, but also with labour-market issues and social security and pensions in the public sector and in education. In these tripartite bodies, the respective trade unions are represented.

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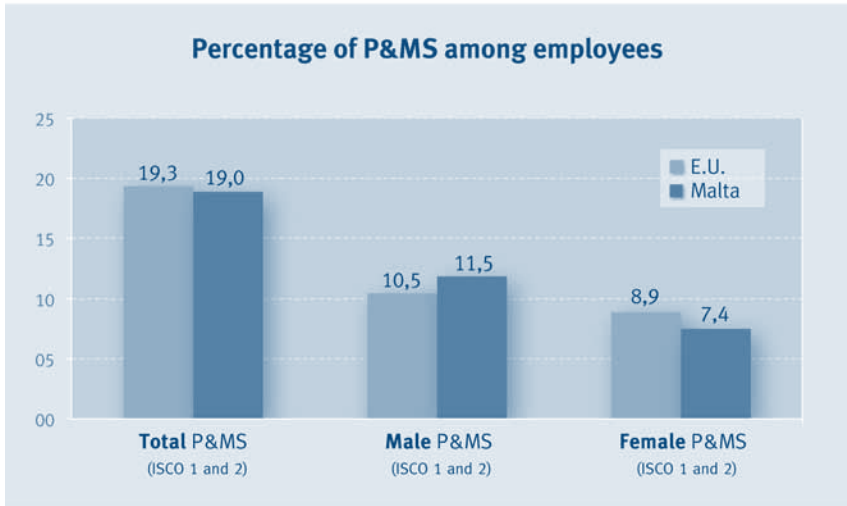
<sup>7</sup> 'Hungary. Industrial relations profile', European Foundation for the Improvement of Living and Working Conditions, <http://www.eurofound.europa.eu/eiro/country/hungary.pdf>



[ Chapter 18 ]



# Malta



In Malta 26,000 P&MS correspond to 19 % of employees  
(Source EUROSTAT, labour force survey 2007)

## ► I. Definition

There are no specific definitions in labour law to define professionals or managerial staff. With regard to trade union rights, Article 67 of the Employment and Industrial Relations Act (Chapter 452 of the Laws of Malta) states that managerial staff involved in the management of industrial relations with the trade unions is not allowed to be a member of these trade unions. This staff has to be defined by the employer. The rules apply in the private and the public sector. In the private sector quota are defined for this type of personnel:

- a) not more than three in the case of a corporate employer employing not more than two hundred persons;
- b) not more than seven in the case of a corporate employer employing more than two hundred employees, as such employer shall have indicated in writing to the trade union of which the holder of the said posts may not be a member.

## ► II. Trade unions

### 1. P&MS UNIONS

Unions are mostly occupation-based, and there is competition among unions in the same sector.

By far the two largest union groupings in Malta are the General Workers' Union (GWU), with 46,500 members, and the UHM (Malta Workers' Union), with 25,900. As both cover a wide range of industries and occupations, they are similar to union confederations in many other States. The UHM has more a white-collar and public-sector affiliation.

In addition to these two major bodies, there are a number of smaller unions, which often have a high level of membership in the areas they organise, and are relevant to mention from a P&MS perspective. The most important of these are the MUT (teachers) with 6,100 members, the MUBE (bank employees) with 3,000 members, and MUMN (midwives and nurses) with 2,200 members (all figures from June 2005). The UHM, MUT and MUBE, as well as some smaller unions, are all members of the Confederation of Malta Trade Unions (CMTU), although it is the member unions rather than the CMTU that are dominant in the relationship.

In addition the MUMN played a key role in forming another group of eight unions known as *Forum Unions Maltin* (FORUM) in 2004. A major reason for the creation of FORUM was to obtain seats in the tripartite Malta Council for Economic and Social Development (MCESD), on which the GWU, the UHM and the CMTU are represented. However, this attempt was not successful.

### 2. REPRESENTATION

Several sectors have more than one confederation of unions. Those confederations compete within the sector.

Practice dictates that in order to conclude collective agreements a trade union must represent 50% + 1 of the workers; in reality, however, the employer has the discretion to recognise the trade union. However, as regards public policy formulation, all trade unions are represented on the Malta Council for Economic and Social Development (MCESD).

In Malta it is the union – provided it is recognised (that is, provided the employer is willing to negotiate with it) – that normally represents the employee at workplace level. But EU directives have led to new arrangements for non-unionised employees, although it does not seem that these have been taken up to any extent. In addition, they still give clear primacy to the union, as they disappear if a union is established.

## ► III. Collective bargaining

### 1. STRUCTURE OF BARGAINING

Collective bargaining in Malta takes place at company level at least in the private sector. Only the public sector normally negotiates common conditions across a range of workplaces.

Many of those who are not covered by collective agreements are, however, covered by minimum conditions of employment set by the government. They are mainly set through ‘wage regulation orders’, which apply to specific industries, or ‘national standard orders’, which have more general application. Wage regulation orders are made following recommendations from a board for the industry concerned made up of unions, employers and government-appointed experts. At present 31 separate industries are covered, including private security, construction, travel agencies and food manufacturing.

Malta has been experimenting since the 90s with enhanced forms of wage co-ordination at national, central level. The Malta Council for Economic and Social Development (MCESD) has been at times a forum for negotiations. For example, it generalised an annual cost of living wage adjustment, based on the retail price index.

Collective bargaining is not P&MS-specific: P&MS are ruled by the same collective bargaining structure as other employees.

### 2. COVERAGE AND TRENDS

A report for the European Foundation for the Improvement of Living and Working Conditions in 2006 estimated that a realistic estimate for the gen-



eral coverage of collective bargaining was 56%. No forms of legal extension mechanisms exist.

Pay, working time and performance appraisal bonuses have been important issues in recent times.

## ▶ IV. Industrial conflict

There have been no conflicts since 2005.

## ▶ V. Social dialogue

There are no specific tripartite bargaining bodies for P&MS.

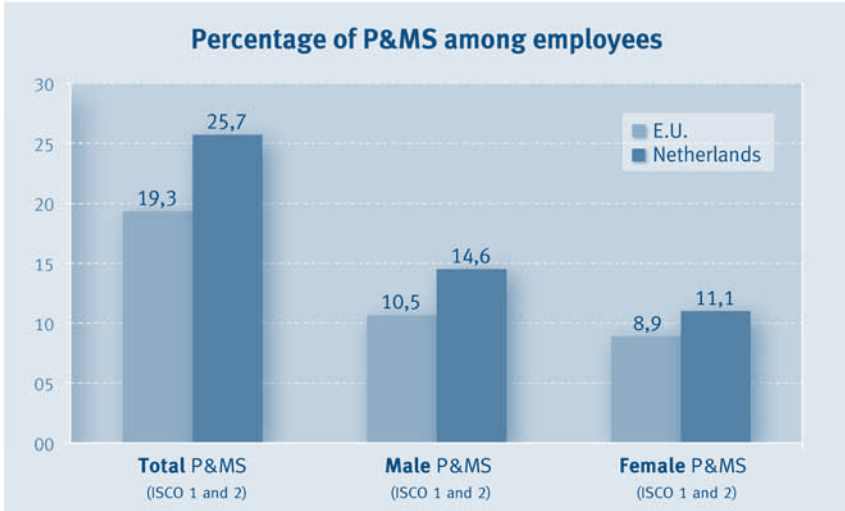
The last two decades have seen the development of national social dialogue at the Malta Council for Economic and Social Development (MCESD). This is a tripartite consultative institution. On the one hand, its importance has grown, but on the other hand it has also been under reform. The last reform happened in 2001, but currently a debate is again going on between social partners on their status and role.



[ Chapter 19 ]



# Netherlands



In the Netherlands 1,887,000 P&MS correspond to 25,7 % of employees  
 (Source EUROSTAT, labour force survey 2007)

## ► I. Definition

No specific labour law arrangements exist for P&MS in the Netherlands. Management staff (*hoger personeel*), for example, are not excluded from collective agreements and co-determination on the basis of legal provisions. However, recently an important exemption to this general rule came into application. The new law on working hours (April 2007) does not apply to workers who have an income of at least three times the minimum annual salary.

There are no legal limitations or labour law particularities with regard to the right to associate, the right to conclude collective agreements, the right to strike and the type of conflict resolution and mediation, or to information and consultation rights at workplace level.

## ► II. Trade unions

### 1. P&MS UNIONS

There are three trade union confederations in the Netherlands:

- the Confederation of Dutch Trade Unions (*Federatie Nederlandse Vakbeweging* – FNV), with 16 affiliated unions representing more than 1.2 million workers;
- the National Federation of Christian Trade Unions in the Netherlands (*Christelijk Nationaal Vakverbond* – CNV) is a general Christian trade union federation with more than 340,000 members;
- the Trade Union Confederation for Professional and Managerial Staff (*Vakcentrale voor Middengroepen en Hoger Personeel* – MHP). This union counts about 160,000 members and has an especially high number of P&MS. The MHP was set up in the 70s to represent these groups faced with increasing demands at the workplace.

P&MS in CNV and FNV are organised in the affiliated unions. A recent trend in this regard has been the growing interest of organising self-employed persons (see the specific FNV union for the self-employed, the so-called *ZZPers*).

Four main P&MS organisations are affiliated to the MHP confederation:

- the Union or the Union of Independent Trade Union Organisations (*De Unie*), which has individuals as members, mainly in the industrial sectors and in the services and banking sector, for the most part consisting of P&MS. Besides this, a lot of sectoral and company-level associations of P&MS are affiliated to *De Unie*;
- the Centre of Middle and Higher Employees in the Governmental, Educational, Healthcare and Industrial Sectors (*Centrale van Middelbare en Hogere Functionarissen bij Overheid, Onderwijs, Bedrijven en Instellingen* – CMHF), which consists of some 50 bigger and smaller associations of professions, mainly in the public sector and almost entirely consisting of P&MS;
- the Dutch Airline Professionals Union (*Vereniging van Nederlandse verkeersvliegers* – VNV/DALPA), which consists only of pilots of civil aeroplanes and helicopters (only P&MS);
- the Dutch Banking and Insurance Personnel Union (*Beroepsorganisatie Banken Verzekeringen* – BVV), which consists of professionals working within the banking and insurance sectors.

## **2. REPRESENTATION**

Insofar as P&MS are organised in federations which are affiliated to the three federations of unions, there is broad representation in most institutions and bodies. Furthermore, there are no statutory regulations in the Netherlands that establish criteria of representativeness which a union must meet in order to be entitled to conclude collective agreements.

The FNV is the most influential of the three federations, and the MHP the least influential. Nevertheless, during collective bargaining, the balance of power can sometimes shift from the overall power, depending on the representativeness of these unions in a particular sector or according to the dimensions of the separate unions.

Over the past few years, there has been no significant rivalry or competition with regard to P&MS. Disputes between the federations arise from time to time on the right of specific unions to engage in the collective bargaining process in particular sectors. These 'representativeness' rivalries have a general nature and are not related in particular to the P&MS group.

## **3. SERVICES AND ACTIVITIES**

All trade unions are engaged in collective bargaining and in assisting individuals in labour disputes. Many activities are carried out to inform, assist and advise member (for example on career management, job opportunities and legal rights), often with the help of ICT solutions. Collective bargaining takes place at company, regional or national level within sectors.

Current important themes include career management, employability, modern retirement schemes, à la carte regulations for working conditions, regulations for working part-time, the combination of work and care, mobility issues, etc. These topics are put to the employers, to the government as employer and in some cases to the government as legislator.

The most recent national campaign, supported by all the unions, had to do with a revision of Dutch dismissal legislation (2007). The dispute was settled without much change overall to the current legislation. The most important change has been to limit dismissal compensation. Instead of 2 or 3 times his or her yearly salary, an employee who earns more than €75,000 can get compensation of a maximum of 1 year's salary. MHP disagrees with this change.

Another important protest movement was organised in 2004 against a major revision of the early retirement scheme.

#### **4. OTHER PROFESSIONAL ORGANISATIONS**

Other clubs of P&MS (engineers, architects, general medical practitioners, etc) exist in the Netherlands, but these are more associations specialising in the professional aspect of the jobs. Sometimes there is some co-operation between the unions and these associations, but there is certainly no competition.

### **► III. Collective bargaining**

#### **1. STRUCTURE OF BARGAINING**

The Dutch system of industrial relations is characterised as the ‘Polder model’. The term refers to a way of working together in mutual trust that leads to a consensus among all parties. Historically, it developed as a response to the necessity of building dykes and polders in a country subject to flooding. In the industrial relations policy field, the term is used to typify the mutual trust and consensus-seeking among the State, employer organisations and trade unions to stimulate the economic development and welfare of the country.

All unions which are affiliated to the three federations of unions in the Netherlands (the CNV, FNV and MHP) are involved in collective bargaining, which in the Netherlands usually takes place at sectoral level, but is also becoming more and more common at company level. At company level, works councils (see below, point V) and company management bargain collectively on items related to working time and diversity issues, but not on wages. These works councils are statutorily not entitled to conclude collective agreements. The arrangements described apply to all types of personnel, including P&MS.

There are no wage negotiations in the Netherlands at national level, but there are discussions and recommendations made by the Foundation of Labour (*Stichting van de Arbeid*, see below, point V) about topics which could be important for collective bargaining at lower levels.

As already mentioned, collective bargaining is carried out increasingly at company level; also in the collective sector, the number of collective agreements is increasing. There have been some rivalries between unions on collective agreements (see point 1.3) and there are also some employers/sectors who have tried to conclude a collective agreement with a 'bogus trade union'. Government has also tried twice recently to intervene on substantive issues in collective agreements, but up until now with no success.

Although not embedded in specific or separate institutional arrangements, the particular position of P&MS is recognised in the Netherlands. Since the establishment of MHP, a number of particular problems in this category have gradually become better understood. During most of the negotiations those problems are taken into consideration, especially when federations/unions of P&MS are involved in the negotiations. There is certainly no intentional exclusion of this category in collective bargaining negotiations, although it is sometimes a struggle to take these specific demands into account.

## **2. COVERAGE AND TRENDS**

In general, there is 'inclusion': P&MS are covered by the collective agreements. The general coverage rate of collective bargaining in the Netherlands is around 80% of the workforce. Based on the results of the AVON Monitor 2007, organised by the Ministry of Social Affairs, we can assume that this coverage rate is only slightly lower for P&MS.

As in other European countries, this high coverage can be attributed to the statutory extension of collective agreements. The procedure for the extension of collective agreements is based on the following principles: a request has to be made by one or more of the signatory parties; the extension has to apply to all employees and employers in a given sector; the minimum requirement for extension is that the agreement must cover a sufficient majority of relevant employees (55%); and the extension has to be decided by the Minister of Social Affairs and Employment.

As a result of the developments described above (decentralisation, opting-out attempts by employers, rivalries between unions, governmental intervention attempts), the extension principle has been placed under pressure, but it has survived up until now.



In general, there are a large number of topics on the agenda. Besides agreements on wages, of course, staff shortages play a very big role nowadays. Labour market participation policies are on top of the list:

- ▶ the creation of more possibilities for special groups on the labour market, such as more highly educated migrants;
- ▶ the revision of sectoral and company policies towards older employees;
- ▶ educational measures: the creation of internship possibilities, lifelong learning policies, the validation of competences acquired earlier, etc.

Topics such as innovation and restructuring also play an important role.

## ▶ IV. Industrial conflict

Strike activity in the Netherlands has been generally low in recent decades. There are usually only about 20 incidental strikes every year, mainly connected to specific downsizing or restructuring (the latest examples being the Unilever downsizing and ABN-Amro merger).

There have been no industrial conflicts involving P&MS specifically since 2005. The industrial conflicts that have taken place were of a general character and sometimes involved P&MS too. An important example is the conflict in the national governmental sector. In 2006, negotiations on a new collective agreement broke down, and higher-level employees also took part in the strike. Confronted with increasing work pressure and job demands, they felt insulted by the final offer for a new collective agreement from the Minister. After a series of ‘relay strikes’, a final agreement was reached in April 2007.

## ▶ V. Social dialogue

Policy concertation is an essential feature of the Dutch ‘Polder model’. Consultation between the government and the social partners at national level has at least three functions: (1) it engenders ‘macroflexibility’ when needed: wages are brought into line with the economy at a national level; (2) the second function is to prepare social and economic regulations and to create a broader basis of support for these measures; (3) socio-economic trends are jointly monitored, which facilitates social dialogue agenda-setting.

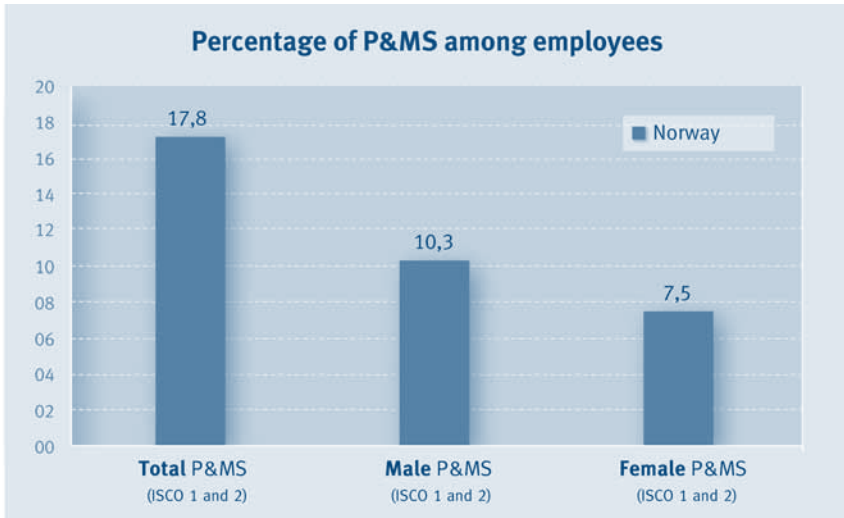
There only exist general bodies which also deal with P&MS issues. The frequent nationwide tripartite and bipartite contacts take place in two institutions: the Social and Economic Council (*Sociaal-Economische Raad* – SER) and the Foundation of Labour (*Stichting van de Arbeid*). SER membership is equally divided between factions of trade unions, employers' confederations and independent experts. The Foundation of Labour is an employer/trade union council in which the confederations meet not only to establish a framework for sectoral bargaining but also to give advice to the government.

At company level, these social dialogue arrangements are organised by an elaborate system of information and consultation rights. The main channel for employee representation in the Netherlands is the works council. Every undertaking with at least 50 employees is obliged to set up a works council. These works councils have the 'right of initiative', the 'right to give advice' and the 'right of consent' on a lot of HRM issues, such as working hours, holiday rules, pension plans and training.

[ Chapter 20 ]



# Norway



In Norway 399,000 P&MS correspond to 17,8 % of employees  
(Source EUROSTAT, labour force survey 2007)

## ► I. Definition

The Norwegian Working Environment Act includes certain paragraphs that deal with what might be described as P&MS, namely people in particularly independent posts. These groups are exempt from the ordinary working time limitations (a maximum of 200 hours' overtime per year). Since there is no clear definition of these groups in the Act, the chapters about working time for these groups are now up for revision. There is a public hearing (green paper) running on the issue, which is due to be finalised during the spring of 2008.

Approximately 40 % of companies in Norway state that they have employees (P&MS) who are exempt from the current working time regulations in the Working Environment Act. At least 11 % of all employees in Norway have "independent positions" which exempt them from the working time regulations.

It might be argued that the definition in the Working Environment Act is negatively formulated, since the P&MS are exempt from ordinary working time regulations.

No legal limitations on the right to association or collective bargaining exist in Norway. However, the right to join a union is not included in national legislation. The right to association came into effect as a result of ‘tradition’ and the fact that Norway has accepted international conventions (ILO Conventions 87 and 98) that commit Norway to respect the right to association. In addition, the Working Environment Act (section 13-1 – Protection Against Discrimination) clearly states that direct and indirect discrimination on the basis of membership of a trade union is prohibited. As is the case with the right to association, Norway has accepted ILO Convention 98, which secures the right to conclude collective agreements.

The right to strike is generally accepted under Norwegian law and the country has no permanent legislation preventing such a right, with the exception of a ban on strikes by senior government officials and members of the armed forces. In Norway the right to impose a lockout is analogous with the right to strike. An assessment of the right to strike must be seen in connection with the freedom to organise trade unions. Such rights are protected by a number of international conventions that have been accepted by Norway.

The ILO lays down international working standards etc in conventions, and monitors compliance with them. Key conventions are ILO Conventions 87, 98 and 154, which all address rights relating to the freedom to organise trade unions. The right to strike is not mentioned explicitly in any of these conventions, but the ILO’s various bodies operate on the premise that the right to strike basically applies to all employees and their organisations. Furthermore, several ILO standards have been drawn up which regulate in detail the right to strike. According to the interpretation of these conventions by the ILO’s bodies, very strict requirements apply in respect of restricting the right to strike.

In addition, Article 6 of the European Social Pact, Article 11 of the European Human Rights Convention (EHRC), Article 22 of the UN’s Covenant on Civil and Political Rights (CCPR) and Article 8 of the UN’s Convention on Economic, Social and Cultural Rights (CESR) are all relevant here.

The country also has no legal limitations on information and consultation rights. The Working Environment Act (section 8-1) states that in undertakings that regularly employ at least 50 employees, the employer shall provide information concerning issues of importance for the employees’ working conditions and discuss such issues with the employees’ elected representatives.

## ► II. Trade unions

### 1. P&MS UNIONS

The four trade union confederations in Norway are:

- LO – the Norwegian Confederation of Trade Unions. About 830,000 workers are affiliated to the 22 national unions, which in turn are affiliated to LO;
- Unio – the Confederation of Unions for Professionals. Unio consists of 9 member unions, with a total of 268,000 members;
- YS – the Confederation of Vocational Unions. YS consists of 22 member unions, with a total of 209,000 members;
- Akademikerne – the Federation of Norwegian Professional Associations. Akademikerne has 13 member organisations, with a total of 131,000 members.

These four confederations organise about 93% of the unionised workers in Norway.

The number of unionised employees outside the four main confederations is a total of 108,000 (figures from 2006).

Independent unions in Norway, which should particularly be mentioned in relation to P&MS, are:

- NITO – the Norwegian Society of Engineers and Technologists – which has 59,000 members, making it the biggest union in Norway for engineers and technologists;
- Lederne – The Norwegian organisation of managers and executives – which has 15,000 members.

### 2. REPRESENTATION

The situation in Norway differs from the other Scandinavian (Sweden, Denmark, Norway) and Nordic (Sweden, Denmark, Norway, Finland, Iceland) countries, as the organisations have not divided the (potential) trade union members between them with regard to level of education. For example in Sweden there is a clear distinction between blue-collar workers (in LO), white-collar workers (in TCO) and academics (in SACO).

In Norway, one will therefore find P&MS groups in all the four confederations described in section 2.1 of the questionnaire, but with the majority of P&MS in Unio and Akademikerne, to some extent in YS and to a lesser degree in LO.

P&MS are often found in sectors or branches with below-average trade union coverage. For example P&MS in the (private) IT sector are less likely to join a union than employees in sectors with a strong trade union tradition.

Employee representation and participation structures have been an intrinsic part of Norwegian industrial relations for a long time, and are hardly controversial. Employees, trade unions and employers appear to recognise the value of participatory structures, both in relation to company development and production, and as a mechanism to improve working conditions. Collective agreements providing shop stewards and company-level trade unions with the right to information, consultation and negotiations in a range of areas are probably the most important form of representation in the day-to-day running of companies. Furthermore, both the legal framework and collective agreements establish more formal structures enabling employees to be represented and heard. Company-level trade unions and their representatives also play a significant role in these more formal structures for employee representation. Basic Agreements between the main trade union and employers' confederations make provisions for the establishment of works or company councils (*bedriftsutvalg*) and working environment committees.

### 3. SERVICES AND ACTIVITIES

The main services that the unions offer their members are:

- ▶ Improvement (through negotiations) of salaries, working conditions and pension rights;
- ▶ Courses and various activities related to their profession and / or occupation.

The confederations also provide their affiliates with representation in Nordic, European and international organisations. To some extent, it may be argued that the unions that are affiliated to (one of) the European Social Partners for employees have better access to European decision-making processes than the national government. As Norway is not a member of the EU, but is part of the EEA (European Economic Area), Norwegian legislation is often indirectly affected by decisions made in the EU, specifically through the implementation of directives, although the country does not have much opportunity to influence the decision-making process through negotiations.

When it comes to more specific professional and academic interests, the individual member organisations have their own very extensive national and international activities.

## ► III. Collective bargaining

### 1. STRUCTURE OF BARGAINING

Collective bargaining takes place at three levels in Norway: the central (sectoral), industry, and company levels. The Norwegian collective bargaining system is in many ways centralised, although collective agreements allow a significant degree of workplace bargaining, particularly in the private sector. Central collective bargaining provides the framework for subsequent company-level bargaining. There are, however, significant variations in this regard, in particular between P&MS and blue-collar workers. In the Norwegian bargaining system the exposed industry plays an important role in setting the framework for negotiations in other sectors – the so-called ‘trend setting trades’ model, in which the iron and steel industry forms a central part.

The duration of collective agreements in Norway, in both the private and public sectors, is two years. In the private sector there are Basic Agreements between the Norwegian Confederation of Trade Unions (LO) and the largest employers’ organisation (NHO), between the Norwegian Confederation of Vocational Unions (YS), and between the two engineers’ organisations NIF and NITO.

There are no statutory regulations specifically for P&MS regarding their entitlement to conclude collective agreements. In general, the unions’ right to conclude collective agreements is regulated in the Civil Servants Act (*Tjenestemannsloven*), and universally recognised in the private sector and in the municipalities.

P&MS are included in collective bargaining agreements in both the public and private sectors. Agreements in the private sector tend to be less detailed and thus to give more scope for local and individual negotiations.

Most P&MS agreements in the private sector leave considerable scope for local bargaining.

### 2. COVERAGE AND TRENDS

There are no exact figures specifically for P&MS, but collective bargaining coverage in Norway is an estimated 70% (50% in the private sector). With the trade union density for P&MS being somewhat below the national average, the collective bargaining coverage is probably also a bit lower than this.



The number of persons concerned by individual contracts is difficult to estimate. This is especially true of the private sector. Certain high-ranking P&MS in the public sector negotiate their salaries individually. This was a system established to make it possible to raise their income level higher than collective agreements allowed.

This was accepted to some extent in order to be able to have more differentiated incomes among P&MS. Surveys seem to establish that income development among P&MS in the public sector has been lower than among most other groups. The situation is different for P&MS in the private sector.

The content of individual contracts can cover duration, pay, bonuses, working hours and pension schemes.

Individually negotiated contracts seem to be on the increase in the private sector, which also explains why fewer employees in this sector choose to join a union, where collective bargaining is the rule. There are also many who want more extended local negotiations in the public sector. This varies among different P&MS groups. The education sector is where the most staunch defenders of centralised collective agreements are found. Within the framework of collective agreements they accept local negotiations.

Individuals get a more insecure job situation and also more freedom. Some trade unions are very much against the development here, while others have to accept that some of their members see this as a development with potential.

Examples of some main subjects or issues of collective bargaining are pensions (both present and future) and pay (equal pay for jobs of equal value, more to those who earn the least and bridging the gap between the private and public sectors).

## ► IV. Industrial conflict

No strike statistics exist in relation to P&MS. However, a recent dispute in the insurance sector was important with regard to the question of industrial conflict.

In connection with the collective wages review undertaken in 2006, 6,020 insurance members of the YS-affiliated Finance Sector Union of Norway (*Finansforbundet*) were taken out on strike on 1 June. The union warned that

the strike would be moderately extended with effect from 12 June by taking out a further 1,573 members working for small local savings banks. The employers responded by announcing a lockout for the remainder of the union's members working for member companies of the Norwegian Employers' Association for the Financial Sector (FA) with effect from 12 June. As a result, the Minister contacted the parties on 9 June and asked them to make a final attempt to reach agreement. On 10 June the parties reported back that they had failed to reach agreement. On 12 June, the day before the strike was due to be extended and the lockout implemented, the government decided to intervene by imposing compulsory arbitration. The parties accepted the Minister's call to stop the conflict with immediate effect. This did not mean that the union agreed with the government's decision, but it decided to adhere to well-established practice in this area.

Ever since the government's decision the union has been extremely critical about the latter's handling of a legally called conflict. The main purpose of this assessment is to consider the extent to which the compulsory arbitration imposed represents an infringement of the right to strike in accordance with the legislation and conventions with which Norway is obliged to comply.

## ► V. Social dialogue

P&MS are, through their national trade union centres, represented in a number of institutions and official bodies at national level, where tripartite representation is required. One example is the Governmental Contact Committee, where the social partners are represented to exchange information and views on the national economy. Meetings take place, for instance, in connection with the presentation of the annual State budget and in connection with the opening of central collective negotiations.

All four trade union centres are included in the committee that compiles and evaluates the relevant figures on the national economy. This is considered as the basis for negotiations. All the national trade union centres also have a seat in the Labour Court when cases within the remit of the Government Service Disputes Act are heard.

The four national trade union centres are represented in ad hoc committees for special issues featuring on the political agenda.

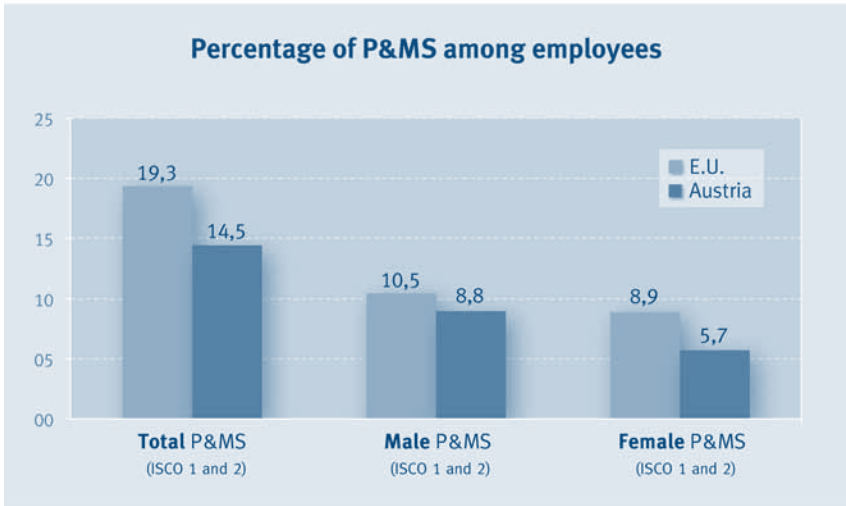
The Labour Disputes Act, the Government Service Disputes Act and the Basic Agreements within the different sectors draw up guidelines for the relationship between the social partners, and for the use of different means of industrial action. These acts and agreements describe the rights and obligations of the employers and the elected union representatives. They contain provisions on information, co-operation and codetermination at work.



[ Chapter 21 ]



# Austria



In Austria 501,000 P&MS correspond to 14,5 % of employees  
(Source EUROSTAT, labour force survey 2007)

## ► I. Definition

Austrian legislation distinguishes between blue-collar workers (*ArbeiterInnen*) and white-collar workers (*Angestellte*). In contrast to blue-collar workers, white-collar workers are defined as employees who perform predominantly non-manual commercial, technical, administrative or office work. Nowadays, the relevance of the differentiation between manual and white-collar workers, with separate legislation for both categories, is being increasingly called into question.

Concerning managerial staff, Austrian legislation identifies a special group of white-collar workers referred to as ‘employees in leading positions’ (*leitende Angestellte*). The Austrian Labour Constitution Act (*Arbeitsverfassungsgesetz*) defines *leitende Angestellte* as ‘employees with significant authority in terms of financial issues and human resources’. This definition includes all management and executive staff (from a single power of attorney) including top management. *Leitende Angestellte* are excluded from participating in works council elections and are exempted from protection against dismissal. The Working Time Act (*Arbeitszeitgesetz*), on the other hand, offers a much broader definition of *leitende Angestellte*, which – depending on interpretation – also

includes middle management. These employees are not required to record their daily working time and are not subject to working-time restrictions.

Professional and managerial staff do have the right to association and to conclude collective agreements, the right to strike or to engage in any other type of conflict resolution, and information and consultation rights at workplace level. Top managers, including members of the board of directors as well as executive and managing directors, are excluded from collective agreements and from works council elections.

## ► II. Trade unions

### 1. P&MS UNIONS

The Austrian system of industrial relations can traditionally be described as a system of social partnership between employers' organisations (the Austrian Federal Economic Chamber (*Wirtschaftskammer Österreich*) for the private sector and ministries for the public sector) on the one hand and trade unions under the umbrella of a centralised trade union confederation (Austrian Federation of Trade Unions, *Österreichischer Gewerkschaftsbund – ÖGB*) on the other hand.

P&MS are organised in different affiliated unions of the Austrian Federation of Trade Unions (ÖGB). Most P&MS can be found in the following four trade unions:

- Union of Salaried Private Sector Employees and the Union of Printers, Journalists and Paper Workers (*Gewerkschaft der Privatangestellten, Druck, Journalismus, Papier – GPA-DJP*)
- Union of Public Services (*Gewerkschaft Öffentlicher Dienst – GÖD*)
- Union of Municipal Employees (*Gewerkschaft der Gemeindebediensteten – GdG*)
- Union of Railway Workers, Union of Hotel, Restaurant and Personal Service Workers and Union of Commerce, Transport and Traffic Workers (*vida*)

Within GPA-DJP, approximately 25%, or 50,000 members, can be considered to be professional or managerial staff. Compared to the large share of professional and managerial staff within GPA-DJP, however, the influence of P&MS within this trade union is limited.

About 4,000 P&MS members in GPA-DJP are also registered in a special interest group for P&MS. With elected executive committees at both national and regional levels, this interest group is active in all sectors and offers special services to its members, including a newsletter, information on specific products and specialist advice. Two recent campaigns concerned responsible management and working time models, with a special focus on ‘all-inclusive’ wage models and ‘trust-based’ working time.

No figures are available on P&MS membership in GÖD or GdG. While neither union offers special structures or activities to P&MS members, both have special bodies for so-called ‘A category’ civil servants, i.e. university graduates.

Established in 2005, *vida* emanated from three different trade unions, the Union of Railway Workers, the Union of Commerce, Transport and Traffic Workers and the Union of Hotel, Restaurant and Personal Service Workers. It does not offer special bodies, structures or activities for professional and managerial staff either. *vida* is active in a variety of sectors, where it covers both blue-collar and white-collar workers. Large numbers of professional and managerial staff represented by *vida* work for railway companies, in private hospitals (including physicians), or in the aviation sector.

Occasionally, disputes and disagreements can arise between the P&MS interest group and GPA-DJP (concerning privatised public services) or *vida* (concerning the health sector). Usually, these conflicts can be resolved in a co-operative manner.

In addition to the trade unions mentioned above, professional and managerial staff are also represented in the Union of Postal and Telegraph Workers (*Gewerkschaft der Post- und Fernmeldebedienstete – GPF*) and the Union of Art, Media, Sports and Freelance Workers (*Gewerkschaft Kunst, Medien, Sport und freie Berufe – KMSfB*).

## 2. REPRESENTATION

Unionisation among professional and managerial staff in Austria is difficult to estimate as there are no special characteristics to specify P&MS members. Total ÖGB membership is estimated at about 32% of all workers in Austria (both *ArbeiterInnen* and *Angestellte*). Austrian-wide estimates of P&MS trade union membership amount to about 178,000. The trade union density of professional and managerial staff is estimated to amount to be-



tween 15 and 30% in Austria, but is thought likely to decrease slightly within the next five years.

### 3. SERVICES AND ACTIVITIES

The services offered by all trade unions include collective bargaining as well as individual counselling and the representation of members vis-à-vis the employer.

In addition to services especially designed for P&MS by the special P&MS interest group within GPA-DJP, some of the general services provided by the unions are of particular interest to professional and managerial staff. Thus, P&MS particularly benefit from pay-rise percentages negotiated by the unions, as they tend to be among high-income earners, as well as from provisions for longer sabbaticals and spells of qualification leave, which are most frequently used by P&MS.

### 4. OTHER PROFESSIONAL ORGANISATIONS

The 'Professional Forum Managerial Staff' (*Wirtschaftsforum der Führungskräfte*) is an exclusive club of top managers. It is not considered a trade union for P&MS, however. It provides information and advisory services to its members, but is not recognised as a collective interest organisation *stricto sensu*, as it has no representation status in industrial relations interests.

## ► III. Collective bargaining

Collective bargaining in Austria covers all employees of the respective sectors (trade union members as well as non-members), including all P&MS, with the exception of the tiny group of top managers. Most P&MS thus enjoy all the benefits of collective agreements. Major collective bargaining issues of interest to P&MS include the recognition of qualification and competence levels, and, based on these, minimum pay levels, payment career paths (evaluation of payment due to professional experience and hierarchy level), working time and overtime pay, but also the right to and procedure for further qualification as well as special leave for further qualification or family tasks. Additional pension scheme procedures and pay for workers posted abroad

as well as any other industry-specific regulations are likewise negotiated through collective bargaining.

However, in recent years there has been a shift in terms of qualification and career groups and the pay levels ascribed to them. There is a tendency towards assimilating pay levels, especially by raising incomes for job entrants. The aim (in some sectors already reached) is also to gradually align blue-collar and white-collar collective agreements. These changes, however, are not limited to professional and managerial staff.

Additional bargaining can be organised at company level, where special agreements can be negotiated for categories of P&MS regarding specific requests such as mobility, teleworking, questions of responsibility, inventions at work, working time (all-inclusive overtime arrangements), questions of hierarchy positions, additional pension schemes, etc. Such agreements can be bargained by the works councils or, in some cases, individually by P&MS themselves. In terms of contents, company-level bargaining covers pay, working time, qualification time and conditions as well as working conditions (e.g. for teleworking and on-call work).

There is a high level of collective bargaining coverage in Austria, amounting to more than 90%. This high coverage rate is due to the mandatory membership of employers of the Austrian Federal Economic Chamber. Nevertheless, the collective bargaining coverage of professional and managerial staff is expected to increase slightly in the next few years.

## ► IV. Industrial conflict

Industrial conflicts are declining in Austria, with professional and managerial staff reluctant to take part anyway.

## ► V. Social dialogue

The main aim of tripartite dialogues is to develop or reform legal provisions. During the period when the Conservative right-wing government was in power from 2000 to 2006, there was a tendency to move the debate from the social partners' level to the parliament and government level, while at the same

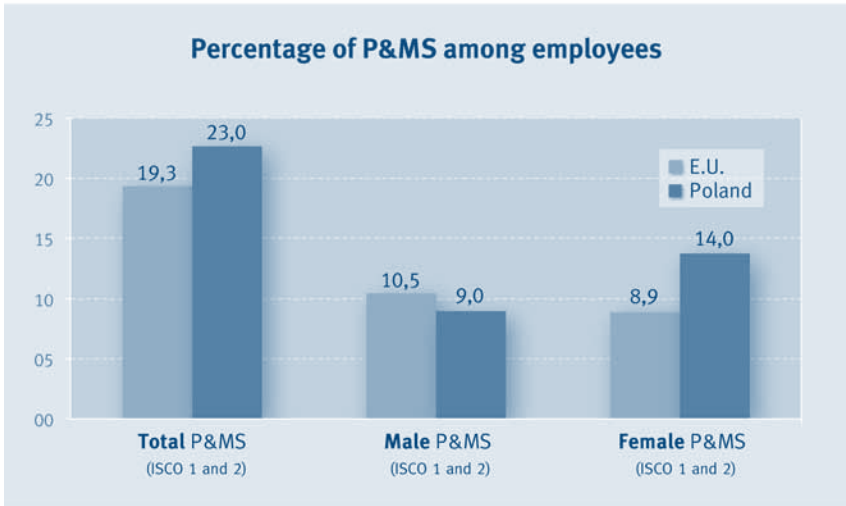
time ignoring social partners' advice and ideas. In 2006 a Social Democrat-Conservative coalition took over, again strengthening the social dialogue between employers and trade unions.



[ Chapter 22 ]



# Poland



In Poland 2,682,000 P&MS correspond to 23 % of employees  
(Source EUROSTAT, labour force survey 2007)

## ► I. Definition

In Poland, professional and managerial staff are one group among other groups of workers and do not possess a special status within Polish labour law. In principle, P&MS have the right to association, to conclude collective agreements, to strike and to have information and consultation rights at workplace level.

However, some specific groups of employees are exempted from these rights. For example, military officers as well as employees working in Polish federal ministries cannot be members of trade unions. Member of the police, on the other hand, have only one trade union to choose from, as other trade unions are forbidden to them. Additionally, some employees do not have the right to strike. This concerns employees who serve in government or council administration offices, courts or public prosecutors' offices.

Furthermore, Polish employers who have fewer than 50 employees are not obliged to establish works councils.

## ► II. Trade unions

### 1. P&MS UNIONS

Poland has two large trade union confederations, the All Poland Alliance of Trade Unions (*Ogólnopolskie Porozumienie Związków Zawodowych* – OPZZ) and the Independent Self-governing Trade Union Confederation (*Niezależny Samorządny Związek Zawodowy Solidarność* – NSZZ *Solidarność*). These two unions especially differ in structure: the OPZZ is structured by individual workplace unions that come together in industry federations and regional groupings which then form the confederation. The NPZZ, on the other hand, can be considered as more centralised, as it is a single organisation with industrial and regional subdivisions.<sup>1</sup>

The Trade Unions Forum (*Forum Związków Zawodowych* – FZZ) is the third trade union confederation, but is much smaller than the OPZZ or the NSZZ. Besides these three confederations, a great number of other unions operate in Poland. These small unions are not part of the confederations and in some cases exist only at workplace level.<sup>2</sup>

In general, Polish professional and managerial staff are organised in trade unions like all other workers. A specific committee for P&MS exists in NSZZ *Solidarność* called *Zespół Koordynacyjny Pracowników z Wyzszym Wykształceniem i Kadr Kierowniczych*. There is one national trade union, the *Porozumienie Związków Zawodowych KADRA* – PZZ *KADRA*, that exclusively represents P&MS. *Kadra* is a trade union from the mining and metal sector.

In addition, there are some trade unions that mainly represent professional and managerial staff within the two big trade union confederations. Teachers, for instance, are organised in the Polish Teachers' Union (*Związek Nauczycielstwa Polskiego* – ZNP) within OPZZ and in the National Secretariat of Science and Education Workers within NSZZ. Until 2008, rivalry and competition between NSZZ and OPZZ were common, but lately the two teachers' unions have combined their efforts, e.g. for wage increases.

<sup>1</sup> Fulton, L. 'Worker representation in Europe', ETUI/REHS, [http://www.worker-participation.eu/national\\_industrial\\_relations/countries/poland/trade\\_unions](http://www.worker-participation.eu/national_industrial_relations/countries/poland/trade_unions)

<sup>2</sup> Fulton, L. 'Worker representation in Europe', ETUI/REHS, [http://www.worker-participation.eu/national\\_industrial\\_relations/countries/poland/trade\\_unions](http://www.worker-participation.eu/national_industrial_relations/countries/poland/trade_unions)

## 2. REPRESENTATION

Trade union density in Poland for professional and managerial staff is estimated to amount to between 15 and 30%. The most recent precise figure dates back to 2002 and amounts to 22%. The future development of trade union density of P&MS is anticipated to decrease slightly.

### ► III. Collective bargaining

Collective bargaining mainly takes place at company level in Poland. In total, about 13,000 collective agreements exist at company level. In contrast, there are few collective agreements at industry level. These are mainly in place in the public sector or former State-dominated sectors, such as energy, mining, transport or telecommunications.<sup>3</sup> In the private sector, however, few industry-level collective agreements are concluded, because employers either do not form employers' organisations or else they avoid negotiations at sectoral level. What is more, industry-level agreements often do little more than restate existing labour law provisions.

There are no special collective agreements in place for professional and managerial staff in Poland. Thus, collective bargaining for P&MS is covered by general regulations. For teachers, however, a special legislative act, the 'Teacher's Charter', has been in force since 1982.

No data are available on the collective bargaining coverage of P&MS. However, it is estimated that coverage by collective bargaining of professional and managerial staff will decrease slightly in the years ahead.

### ► IV. Industrial conflict

Since spring 2007, the Polish Teachers' Union (ZNP) has been negotiating with the Polish government on the extension of pre-retirement benefits as well as pay rises and an increase in public spending for education. During the negoti-

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<sup>3</sup> Fulton, L. 'Worker representation in Europe', ETUI/REHS, [http://www.worker-participation.eu/national\\_industrial\\_relations/countries/poland/trade\\_unions](http://www.worker-participation.eu/national_industrial_relations/countries/poland/trade_unions), 'Poland. Industrial relations profile', European Foundation for the Improvement of Living and Working Conditions, <http://www.eurofound.europa.eu/eiro/country/poland.pdf>



ations, warning strikes were held, but to date no agreement has been reached between the parties.<sup>4</sup>

Polish physicians and nurses employed in public healthcare have also had disputes with the government on pay increases. Even though conflicts like these have been common in recent years, they led to a number of protest actions in the summer of 2007. Physicians' trade unions demanded a sectoral collective agreement providing for pay rises in the coming years and, after a warning strike, held a nationwide strike in May. The nurses' unions also launched actions to demand substantial pay increases, culminating in an almost four-week protest outside the Polish Prime Minister's chancellery in Warsaw.<sup>5</sup>

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4 'Teachers' union remains on strike alert over pay', EIROOnline, 28.1.2008, <http://www.eurofound.europa.eu/eiro/2007/12/articles/pl0712029i.htm>

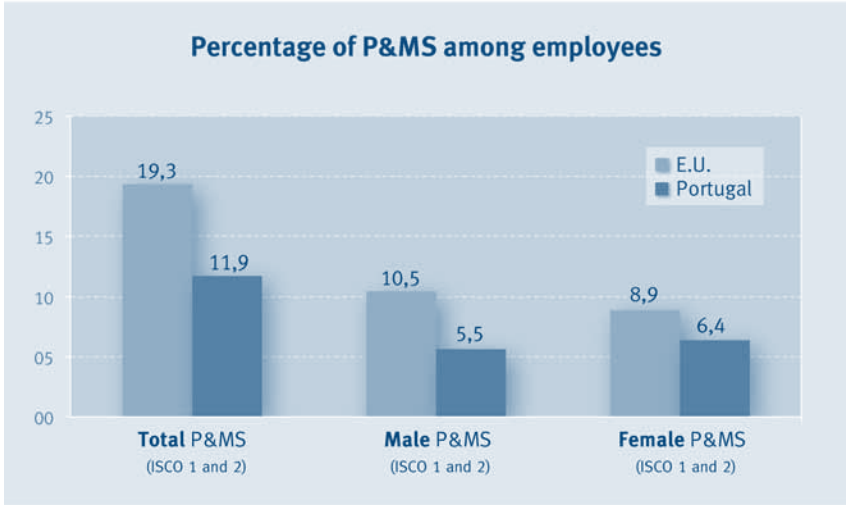
5 'Pay disputes in public health sector escalate', EIROOnline, 20.8.2007, <http://www.eurofound.europa.eu/eiro/2007/07/articles/pl0707019i.htm>



[ Chapter 23 ]



# Portugal



In Portugal 465,000 P&MS correspond to 11,9 % of employees  
 (Source EUROSTAT, labour force survey 2007)

## ► I. Definition

In Portuguese labour law, the word *trabalhador* means a person who works under a contract of employment, for which he maintains his activity under the direction and orders of a third party (one or several employers) in exchange for a wage, and to whom the rules of labour law are applicable. Portuguese law nowadays makes no distinction between different categories of employees. The distinction drawn from 1937 between white-collar workers (*empregados*) and manual workers (*assalariados*) was abolished with the advent of the 1969 Contract of Employment Act.

### **TRABALHO DIRIGENTE**

In recent years, there has been some movement towards the separate categorization of *trabalho dirigente* or managerial employment. Nowadays, this concept finds expression both in special rules on contractual conditions for senior managerial staff and in the modification of various general rules such as those relating to working hours and the probationary period. In the public service, there is a specific regulation for those occupying senior posts.

## SPECIAL SERVICES (COMISSÃO DE SERVIÇO)

Portuguese labour law has a well-developed system of employment protection (currently under debate). The termination of employment contracts is only fair if justified, and grounds for termination are those set out by the law. There is one exception to this regime: the *comissão de serviço*, restricted to managers and employees whose functions require a special relationship of trust; in this case, employers may terminate the special agreement regardless of cause, by serving prior notice. Terminating special services does not imply terminating the labour contract (since the labour contract may continue, regardless of the special services). The employee is entitled to an indemnity equal to one month of basic remuneration per year of service or fraction thereof, except if the worker himself decides to end the labour contract during the *comissão de serviço* and to be reinstated in his previous functions.

## TRADE UNION RIGHTS

Portuguese law recognizes each employee's free right to affiliation, which means he may join or leave any trade union representing his professional activity, as well as incorporating, with other employees, a different trade union. Employers are legally prevented from interfering with unions' activity, even for the purpose of promoting, supporting or financing trade unions.

Nevertheless, social dialogue is, all in all, still a fairly recent phenomenon in Portuguese society and could not mature until after the democratic transition in the 1970s. Collective bargaining emerged after the revolutionary period in 1974–75. Not until 1974, with the introduction of the democratic regime, could trade unions for public servants be established. Some occupational groups took longer to win freedom of association. Police trade unions were established only in 2001, and trade unions for the military forces are still prohibited.

# ► II. Trade unions

## 1. P&MS UNIONS

The Portuguese union structure is characterised by political division at confederate level and fragmentation, overlap and duplication at base level. There are two major trade union confederations in Portugal, considered as umbrella organisations uniting trade union organisations from lower levels.

- ▶ The **General Confederation of Portuguese Workers – Intersindical** (CGTPIN) organises industry-based federations (*federações*) which handle industry-wide collective bargaining. It unites primary unions at lower levels. Twelve industry federations, 27 district and local groupings and 134 unions are affiliated to CGTPIN, representing approximately 650,000 employees.
- ▶ The **General Workers’ Union** (UGT) is made up of large national primary unions for each branch of activity. A total of 590 unions are affiliated to UGT, corresponding to around 500,000 employees.

There are some specific unions for P&MS, particularly engineers, **economists and public administration workers**. In the ‘umbrella unions’ or central unions (UGT and CGTPIN), P&MS have a specific section:

- ▶ In **UGT**: *Ala de Quadros*;
- ▶ In **CGTPIN**: *Sector dos Quadros*.

These sections organise the P&MS members of the affiliated branch or other level unions where P&MS are affiliated among other categories of workers.

However, small independent unions exist, which very often also focus on P&MS. For example, in Portugal there is the *União dos Sindicatos Independentes*. Membership is concentrated in the banking, communication, energy and transport sectors. Another autonomous union **registered in the Labour Ministry** is the *Confederação Portuguesa De Quadros Técnicos E Científicos*.

## 2. REPRESENTATION

Estimates on trade union density in Portugal are highly variable from sector to sector, and real density is difficult to evaluate since there is no recent data on the subject. There are sectors, such as banking, where the density runs as high as over 90% and other sectors, such as some in industry for instance, that do not reach 10%.

At company level, employees have two main kinds of representation. On the one hand are the trade union workplace representatives (*delegados sindicais*), who can form committees (*comissões sindicais* or *comissões inter-sindicais*). On the other hand are works councils (*comissoes de trabalhadores*), which are elected by the company’s workforce. Trade union representatives and works councils have the legal right to be informed and consulted on certain matters. There are more trade union representatives than works councils (there are fewer than 200 works councils in a structure of around 200,000

companies). In companies with both a works council and a trade union representation, the unions normally take precedence over the corresponding works council.

In practice, the trade union delegation is by far the dominant form of representation. No specific settlements exist for the group of P&MS.

There are also health and safety workers' representatives at company level.

Collective bargaining is an exclusive right of trade unions both by law and under the Portuguese Constitution. None the less, the new Labour Code, which is coming into force in January 2009, establishes the possibility for trade unions to transfer negotiating powers to works councils in larger companies (more than 500 workers).

### **3. SERVICES AND ACTIVITIES**

The bargaining and representative powers of UGT and CGTP focus on all issues concerning workers – wages, working time, training, employment, pensions and social services. Legal aid is also offered to professional and managerial staff, as to the rest of employees who are trade union members.

### **4. OTHER PROFESSIONAL ORGANISATIONS**

There are also professional organisations which exist at a sectoral level and represent well-defined groups of P&MS, for example in the health sector, for doctors, nurses, and university professors. However, they have no collective bargaining powers and are thus unable to sign any agreements affecting workers, even senior management or professional and managerial staff. Nevertheless, there is some kind of competition instead of co-operation between unions and these associations in Portugal. For example, P&MS need to be affiliated to their professional association to be recognized as professionals. Therefore, these associations are the 'voice' of the professionals and also provide them with some services that the unions typically provide to other workers. Lastly, some of these professions have already started to join installed unions or to build new ones, either independent or affiliated to the major trade union confederations (UGT and CGTP).

## ► III. Collective bargaining

### 1. STRUCTURE OF BARGAINING

In principle, collective bargaining can happen at several levels. As a rule, the more specific agreements prevail over the more general ones. It must be said that there has been no collective agreement signed at inter-sector level. As a result, collective bargaining occurs at two levels: the sector and the company. The sector has traditionally been the more influential bargaining level.

Collective bargaining does not have a specific level or form for P&MS. It is carried out in a global, common way.

Recent figures on collective agreements in general show that the majority of agreements are signed by unions linked to the two main confederations, CGPT-IN and UGT. An analysis of the 252 agreements concluded in 2007 found only 5 involving independent unions. These were mostly at the level of companies or groups of companies. Only 2 industry agreements were signed by unions outside the two big confederations.

### 2. COVERAGE AND TRENDS

Collective bargaining coverage is quite high in Portugal: figures for 2007 show that 1.57 million people were covered by collective agreements in a total of around 5 million employees.

None the less, the coverage is much higher, since collective agreements are often extended by government to all employees in an industry rather than just the signatory parties – 74 agreements were extended in this way in 2007. Legally, a collective agreement binds only the employers who subscribe to it or those who belong to the subscribing employer association, as well as the workers affiliated to the trade unions that sign the agreement. However, the Minister of Labour can, through an administrative ruling, extend totally or partially the content of collective agreements and arbitration decisions to employers in the same activity sector and workers in the same or analogous professions.

Agreements concentrate on pay rates and increases, but they also cover other issues. The following are very important in this regard from a P&MS perspective: temporary transfers, geographical mobility, occupational training, exemption from fixed working hours (normally for more senior staff), and ad-



ditional social benefits. A very important issue in recent times has been the fight against temporary contracts, because they lack career prospects.

## ► IV. Industrial conflict

General strike figures in Portugal are moderate, certainly when compared to the 1980s.

There have been specific P&MS industrial conflicts, especially in the public sector and recently, for example, by teachers.

In September 2006 the new system of obligatory arbitration began to work. An attempt to install such an institution had failed in the early 1990s, but in 2006 it was effectively created and by the end of the year the arbitration courts had taken seven decisions regarding the extent and form of minimum services during strikes in transport and communications companies.

The new Labour Code (2009) will reinforce workers' rights whenever an agreement expires (besides working time, wages and professional categories, social security and health clauses will also be integrated in the individual labour contract); it also introduces mandatory arbitration to establish the workers' protection that will take place whenever 2 conditions are met: an agreement expires without a new one being concluded in the next twelve months, and there is no other agreement applicable to the majority of workers.

## ► V. Social dialogue

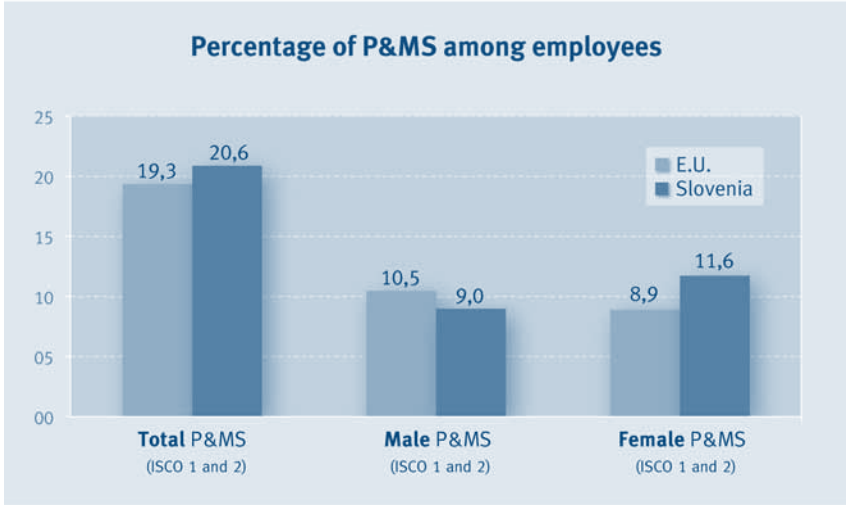
Tripartite social pacts, which also apply to P&MS, have been signed outside the regular system of collective agreements. These agreements are political and can be considered the Portuguese way of policy consultation. Their scope is to influence sectoral and company collective bargaining by establishing guidelines. The main space for dialogue and social consultation between the government and the social partners is the Economic and Social Council. In 1984, central government set up a national body for tripartite macro-consultation, the Standing Council for Social Consultation (*Conselho Permanente de Concertação Social* – CPCS), to monitor labour disputes, but also to consult social partners on economic and social policy. In 1991 the CPCS was trans-

formed into a commission integrated into the newly created Economic and Social Council (*Conselho Económico e Social* – CES), maintaining its autonomy and central role for macro-consultation. Although the CPCS agreements are not legally binding, the agreements concluded have had a decisive role in several pivotal issues. Some influential tripartite agreements were concluded in 1990, 1996 and 2001. In 2005 and 2006 two important bilateral agreements were signed at the CPCS between the social partners: the first on resolving the crisis in collective bargaining, the second regarding vocational training. An important agreement concerning minimum wage levels for 2007-2011 was also concluded in 2006 and the changes in the new Labour Code are also the result of a tripartite agreement concluded in July 2008.

[ Chapter 24 ]



# Slovenia



In Slovenia 171,000 P&MS correspond to 20,6 % of employees  
 (Source EUROSTAT, labour force survey 2007)

## ► I. Definition

In Slovenia article 72 of Slovenia's Employment Relationship Act stipulates that the employment contracts of managerial staff may diverge from collective agreements in terms of rights, obligations and responsibilities. However, there is no special definition of professional and managerial staff.

Like all Slovenian workers, professional and managerial staff have the right to association, to conclude collective agreements and to strike, and they also have information and consultation rights at workplace level. However, employees working in areas such as the police, the military and fire departments, as well as judges and physicians, are restricted in their right to strike.

## ► II. Trade unions

### 1. P&MS UNIONS

In Slovenia, professional and managerial staff are not represented by specific trade unions, as they do not enjoy a special status. Like any other group of

employees, professional and managerial staff are thus represented by the respective trade union active in the area.

Slovenia's trade union landscape is characterised by a plural organisational structure. There are seven representative trade union confederations in Slovenia, which are now all members of the tripartite national Economic and Social Council (ESC)<sup>1</sup>:

- ▶ Association of Free Trade Unions of Slovenia  
(*Zveza svobodnih Sindikatov Slovenije – ZSSS*)
- ▶ Confederation of Trade Unions in the Public Sector  
(*Konfederacija Sindikatov Javnega Sektorja – KSJS*)
- ▶ Confederation of Trade Unions of Slovenia PERGAM  
(*Konfederacija sindikatov Slovenije Pergam – PERGAM*)
- ▶ Confederation of Trade Unions '90 of Slovenia  
(*Konfederacija sindikatov '90 Slovenije – Konfederacija '90*)
- ▶ Confederation of New Trade Unions of Slovenia  
(*Neodvisnost, Konfederacija novih sindikatov Slovenije – KNSS*)
- ▶ *Slovenska zveza sindikatov Alternativa – Alternativa*
- ▶ *Zveza delavcev Solidarnost – Solidarnost*

ZSSS is the largest trade union confederation, with more than 50% of all union members and 22 affiliated sectoral and professional trade unions. ZSSS represents employees in the private industry and private services as well as in the public sector. KSJS was formed by five large unions in the public sector. Even though it was only established in 2006, it is Slovenia's second largest trade union confederation, representing nearly half of all public-sector employees.<sup>2</sup>

KNSS predominantly represents private-industry employees, while Konfederacija '90 is mainly active in the private industry as well as private services. PERGAM is active in private industry as well, but also operates in the public sector, while Alternativa and Solidarnost both represent the railway sector.<sup>3</sup>

Trade union confederations generally operate at sectoral level, even though some also represent members at the level of individual professions, such as veterinarians, pilots and stewards.

<sup>1</sup> 'Change in rules of conduct and composition of Economic and Social Council', EIROOnline 18.02.2008, <http://www.eurofound.europa.eu/eiro/2007/12/articles/sio712029i.htm>

<sup>2</sup> 'Slovenia. Industrial relations profile', European Foundation for the Improvement of Living and Working Conditions, <http://www.eurofound.europa.eu/eiro/country/slovenia.pdf>

<sup>3</sup> 'Slovenia. Industrial relations profile', European Foundation for the Improvement of Living and Working Conditions, <http://www.eurofound.europa.eu/eiro/country/slovenia.pdf>

In addition to the trade union confederations mentioned above, there are some further small professional trade unions representing the likes of dentists, physicians and journalists. These unions are not affiliated to any trade union confederation. Some, like the physicians' trade union (FIDES), are quite influential, while others are less powerful.

The two most important trade unions for professional and managerial staff are the two largest confederations, ZSSS and KSJS. KSJS in particular, but also small autonomous trade unions such as FIDES, represent large numbers of employees with higher education and thus P&MS.

## 2. REPRESENTATION

Trade union density among P&MS ranges between 5 and 14% in Slovenia and is expected to remain the same within the next five years.

### ► III. Collective bargaining

As professional and managerial staff are not represented separately in Slovenia, collective bargaining also encompasses P&MS. Collective bargaining takes place at a number of different levels, including the national, sectoral, professional and company levels. National-level agreements cover issues that are not part of sectoral agreements in private industry, such as minimum wages or health and safety issues. In the public sector, there is one agreement for the 'non-economic sector' as well as several sectoral agreements.<sup>4</sup>

Collective bargaining mainly deals with implementing labour law provisions. The main issues dealt with are pay and working conditions, such as working time, annual leave and pay supplements for hard or unusual work, but also education and training.

On the employers' side, until 2006 collective agreements were negotiated by the chamber of commerce and the chamber of industry, membership of which was still obligatory at that time. Thus, collective agreement coverage amounted to 96% of all employees (September 2005). The remaining 4% were senior man-

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<sup>4</sup> Fulton, L. 'Worker representation in Europe', ETUI/REHS, [http://www.worker-participation.eu/national\\_industrial\\_relations/countries/slovenia](http://www.worker-participation.eu/national_industrial_relations/countries/slovenia)

agers, covered by individual agreements. However, new legislation on collective agreements was introduced in 2006 to shift the right of negotiating collective agreements on the side of employers from the chambers to employers' associations. However, while membership of the chamber of commerce is no longer obligatory, membership of employers' organisations is also voluntary. For this reason, fewer employees are expected to be covered once these provisions are fully implemented in 2009.<sup>5</sup> Collective bargaining coverage of professional and managerial staff is only expected to see a slight decline, however.

As P&MS are just one among many groups of employees within the trade unions, there are no specific statutory regulations concerning representativeness criteria for them. General representativeness criteria to conclude collective agreements differ between trade union confederations and trade unions that are not members of a confederation. Trade union confederations must represent at least 10% of the workers in an individual sector, activity or profession. Trade unions that are not members of any confederation should represent at least 15% of the workers in an individual sector, activity, profession, municipality or wider local community<sup>6</sup>.

## ► IV. Industrial conflict

In the public sector, some major changes were brought about by the Law on the Pay System in the Public Sector (LPSPS), which came into force in 2005. This law requires an overall intersectoral agreement in the public sector, followed by negotiations at sectoral level. The overall intersectoral agreement was agreed in July 2007, with the aim of eliminating existing pay differences among various professions in the public sector. Thus, while some professions can expect to receive higher pay rises in future to offset pay differences, pay rises for other professional groups, such as those in education, will be lower. Even though most trade unions are satisfied with the results, some professional trade unions, such as the one representing judges, announced protests and called strikes<sup>7</sup>.

5 Fulton, L. 'Worker representation in Europe', ETUI/REHS,  
[http://www.worker-participation.eu/national\\_industrial\\_relations/countries/slovenia](http://www.worker-participation.eu/national_industrial_relations/countries/slovenia)

6 'Representativeness of the social partners: Gas sector – Slovenia', EIROOnline, 01.02.2008,  
<http://www.eurofound.europa.eu/eiro/studies/tno702017s/sio702019q.htm>

7 'New public sector agreement to abolish pay differences', EIROOnline, 24.9.2007,  
<http://www.eurofound.europa.eu/eiro/2007/08/articles/sio708039i.htm> ,  
'New public sector pay law makes collective agreements compulsory', EIROOnline, 11.2.2005,  
<http://www.eurofound.europa.eu/eiro/2005/10/feature/sio510304f.htm>

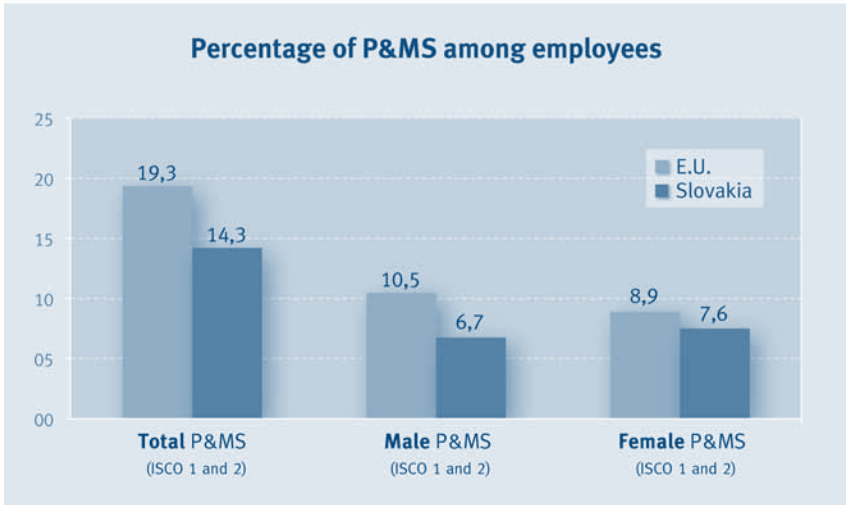




[ Chapter 25 ]



# Slovakia



In Slovakia 292,000 P&MS correspond to 14,3 % of employees  
(Source EUROSTAT, labour force survey 2007)

## ► I. Definition

As in most other new EU Member States, professional and managerial staff do not enjoy a special status in Slovakia, but are considered to be part of the category of employees. Neither are there any restrictions on the right of P&MS to strike, to conclude collective agreements and to information and consultation at workplace level. However, managers who sign collective agreements at company level on the employers' side are excluded from the right to association, even though managers who only negotiate them do have the right to association.

## ► II. Trade unions

### 1.P&MS UNIONS

Slovakia's dominant trade union confederation is the Confederation of Trade Unions of the Slovak Republic (*Konfederácia odborových zväzov Slovenskej republiky* – KOZ SR), with about 460,000 members (2005).<sup>1</sup>

<sup>1</sup> Fulton, L. 'Worker representation in Europe', ETUI/REHS,  
[http://www.worker-participation.eu/national\\_industrial\\_relations/countries/slovak\\_republic](http://www.worker-participation.eu/national_industrial_relations/countries/slovak_republic)

In addition, there are two small trade unions, the Independent Christian Trade Unions of Slovakia (*Nezavisle Krestanske Odbory Slovenska – NKOS*) and the Confederation of Art and Culture (*Konfederace umění a kultury – KUK*), with around 10,000 members each.<sup>2</sup>

KOZ SR has 38 affiliated trade unions that are in many respects autonomous, while the confederation assumes a mainly co-ordinating role. Many of the affiliated trade unions can be defined as trade unions that only represent professional and managerial staff. Among them are:

- ▶ the Association of Unionists in Nuclear Energy (*Združenie odborárov jadrovej energetiky*)
- ▶ the Trade Union of Banking and Insurance (*OZ prac. peňažníctva a poisťovníctva*)
- ▶ the Trade Union of Education and Science (*OZ prac. školstva a vedy na Slovensku*)
- ▶ the Slovak Cultural Trade Union (*SOZ kultúry a spoločenských organizácií*)
- ▶ the Trade Union of Public Administration (*SOZ verejnej správy*)
- ▶ the Trade Union of Health Services and Social Welfare (*Slovenský odborový zväz zdravotníctva a sociálnych služieb*)
- ▶ the Trade Union of Judiciary Staff – self-employed (*OZ justície v SR*)
- ▶ the Slovak Academy of Sciences Trade Union (*OZ pracovníkov SAV*)
- ▶ the Trade Union of Freelance Professions (*SOZ slobodných povolanií*)

In addition, there are affiliated trade unions whose members are mainly professional and managerial staff, such as the energy workers' union, the gas workers' union, the post and telecommunications union and the communications union. Some unions represent only a limited number of P&MS, such as the mining, geology and oil workers' union, the chemical workers' union or the commercial and tourism workers' union. Even though professional and managerial staff are well represented in many affiliated trade unions, P&MS have only little interest in union membership.

Normally, there is no competition between the different trade unions. If two unions are present in one company, however, the union that has more members has the right to conclude collective agreements.

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<sup>2</sup> 'Slovakia. Industrial relations profile', European Foundation for the Improvement of Living and Working Conditions, <http://www.eurofound.europa.eu/eiro/country/slovakia.pdf>

## 2. REPRESENTATION

Trade union density in the Slovak Republic currently amounts to 16%. Separate figures on unionisation among professional and managerial staff are not available. However, estimates forecast a slight decline in union membership among P&MS in future, and there even is fear of a more dramatic decrease.

## 3. SERVICES AND ACTIVITIES

Besides collective bargaining, Slovakian trade unions offer legal advice to their members concerning labour law provisions or health and safety issues. In addition, trade union members can attend workshops and training courses organised by the confederation, the trade unions and basic organisations.

## 4. OTHER PROFESSIONAL ORGANISATIONS

There are no other known organisations or associations in Slovakia representing professional and managerial staff.

# ► III. Collective bargaining

## 1. STRUCTURE OF BARGAINING

Collective bargaining in Slovakia takes place both at industry and company levels. Industry-level collective bargaining is becoming ever less important compared to company-level agreements. This phenomenon can be explained by the fact that growing numbers of employers are leaving the employers' associations so that industrial collective agreements signed by these associations are no longer binding for them. In addition, industry-level agreements are being less frequently extended to companies that are not members of the employers' associations.<sup>3</sup> Moreover, industry-level collective agreements tend to be unspecific and to reproduce statutory regulations.<sup>4</sup>

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3 Fulton, L. 'Worker representation in Europe', ETUI/REHS, [http://www.worker-participation.eu/national\\_industrial\\_relations/countries/slovak\\_republic](http://www.worker-participation.eu/national_industrial_relations/countries/slovak_republic)

4 'Slovakia. Industrial relations profile', European Foundation for the Improvement of Living and Working Conditions, <http://www.eurofound.europa.eu/eiro/country/slovakia.pdf>

Collective agreements at company level can only improve issues that are stated either in industry-level collective agreements or, with regard to pay, in labour law. Slovakian labour law sets statutory minimum wages according to qualification levels. There are six levels, the highest of which – defined for job profiles including the creative resolution of tasks, higher responsibility, certified occupations as well as leadership, co-ordination and organisation roles – corresponds to professional and managerial staff.

In addition to wages, issues negotiated include working time, holiday entitlements, overtime pay, social insurance and company pensions.

## 2. COVERAGE AND TRENDS

Collective agreements cover all employees of the respective company and thus also include professional and managerial staff. At the request of the trade union and with the approval of the Ministry of Labour, Social Affairs and Family, industry-level collective agreements can be extended to companies operating in the industry which are not members of the employers' organisation but have a union membership basis.

## ► V. Social dialogue

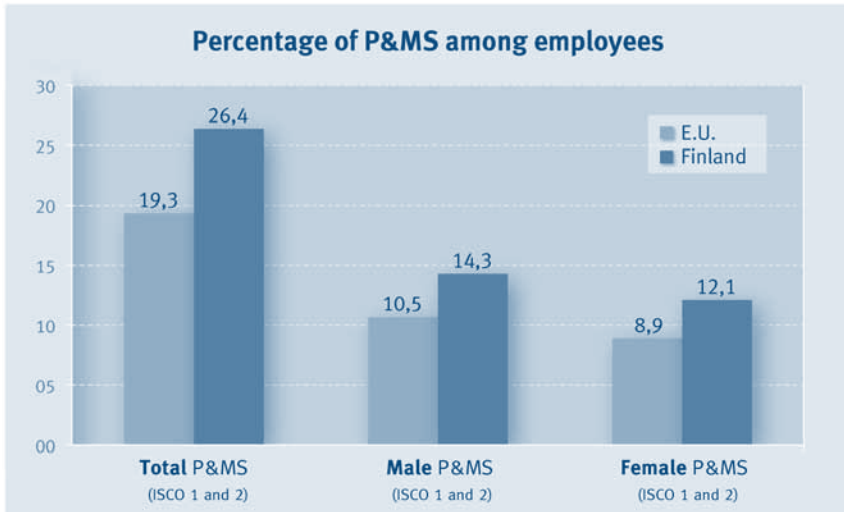
There is no tripartite body in the Slovak Republic to focus specifically on professional and managerial staff. The tripartite Economic and Social Council is composed of seven representatives from each of the government, employers' associations and trade unions. Even though only some of the trade unions predominantly representing P&MS (e.g. education and health) are direct members of the Council, there is also a union preparation group in which all unions are represented and can present their points of view. This structure allows P&MS and their concerns to be well represented in the Council.



[ Chapter 26 ]



# Finland



In Finland 576,000 P&MS correspond to 26,4 % of employees  
(Source EUROSTAT, labour force survey 2007)

## ► I. Definition

Different employee groups are in general not classified separately under labour legislation in Finland.

Nevertheless, there are some exceptions to this rule. In occupational safety and health, there is a division into blue-collar workers and white-collar workers, with each category having its own occupational health and safety delegate. Even in the laws regulating the information and consultation rights of employees (the Law on Co-operation in Enterprises and the Law on Co-operation in Finnish and EU-wide Enterprise Groups), different personnel groups are recognised: manual workers, salaried employees, professional and managerial employees. In the preambles to the laws, these standard language terms are defined in more detail. In practice, there is a distinct difference between the Managing Director and the rest of the managerial staff in an enterprise.

Labour regulations exist of which the scope excludes professional and managerial employee groups. The exclusion is not a terminological one, but is bound by an employee's organisational position and the contents of his/her task. These regulations are always special provisions by nature and their



applicability must be decided case-specifically, based on the characteristics of an organisation. Concrete examples of these are the Working Hours Act and the provision on the prohibition of competition in the Contracts of Employment Act.

No specific legal limitations or labour law peculiarities exist for P&MS (or sub-groups) with respect to the right to association, the right to conclude collective agreements or the right to strike. The latter right is bounded by additional rules only for some specific groups in the public sector: for example, they are not allowed to participate in a political strike. The rules on information and consultation at the workplace guarantee separate representation for different occupational categories (see above).

## ► II. Trade unions

### 1. P&MS UNIONS

Finnish trade union density is among the highest of all European countries, at 71%. The three main central union confederations are the Central Organisation of Finnish Trade Unions (SAK), the Finnish Confederation of Professionals (STTK) and the Confederation of Unions for Professional and Managerial Staff in Finland (Akava).

Akava is the organisation in Finland with the most P&MS groups. Akava has about 500,000 members, approximately 100,000 of whom are student members. There are 31 member organisations in Akava. The biggest occupational groups in Akava are engineers, teachers, those with a degree in business and economics, doctors and social workers.

The Finnish Confederation of Professionals, STTK, represents 650,000 salaried employees working for municipalities, the State, industry, service sectors and the church. STTK has 21 member organisations and 50,000 student members. Most of the members hold a college, polytechnic or university degree. Important sectors of membership are, ranked in order of magnitude, health-care, industry, the municipal field, service sectors and the State.

## **2. REPRESENTATION**

There is competition for members between Akava and STTK to some extent. In collective labour agreement negotiations there is some disagreement on the restrictions on contracts regarding clerical employees and subordinate employees in Finland.

Finnish workplace representation is organised as a single-channel system. The rights of information and consultation are expressed through workplace unions. Workplace representation density amongst Finnish enterprises is extraordinarily high.

## **3. SERVICES AND ACTIVITIES**

Akava and its member organisations have both the promotion of the members' interests in the labour market and professional trusteeship as their goals, because the members are mainly organised according to their education. Additionally, the member organisations have common unemployment funds.

The most important task of STTK and its member associations is contract-political promotion of its members' interests and social influencing. The main reasons for joining a trade union are wage and employment security and earnings-related unemployment security.

Akava has several different annual campaigns related to, among other things, becoming organised for people such as students. STTK and its member unions annually organise membership drives. The campaign in 2008 will focus on young adults and students.

## **4. OTHER PROFESSIONAL ORGANISATIONS**

Since Akava's affiliates function as both trade unions and professional associations, there are professional associations for specific categories such as the TFIF (*Tekniska Föreningen i Finland*), associations for different categories of medical doctors or the Finnish Bar Association within or linked to them.

## ► III. Collective bargaining

### 1. STRUCTURE OF BARGAINING

The Finnish collective bargaining system is characterised by multi-level bargaining. The central labour market confederations may negotiate a comprehensive central-level framework agreement (*tulopoliittinen kokonaisratkaisu* – TUPO) covering the general principles on wage increases in the context of economic circumstances and policies. In recent decades this form of centralised and co-ordinated wage bargaining and settling of income agreements has been applied most of the time. However, since the summer of 2007 this system has not been applied. At the moment, all contracts are made between the **sectoral** unions and negotiating organisations in Finland, because there is no valid contract related to income policy (it ended in September 2007).

Akava and STTK take part in these income negotiations and pay bargaining at national level under the same conditions as the other national social partners. White-collar employees' agreements are often sector-specific. Each sector has a collective agreement covering the whole of Finland.

Akava unions have two bargaining bodies:

- Akava's Public Sector Negotiating Commission negotiates on behalf of the affiliated members in the public sector. The shop steward represents the union and its members at local level.
- The delegation of Professional and Managerial Employees negotiates for members in the private sector where P&MS have a specific collective agreement.
- Additionally, Akava engineers participate in the Technical Advisory Board of the Municipalities (KTN) in the municipal sector.

Affiliated unions with members in both the public and private sectors are represented in both bodies.

STTK has several bargaining bodies/systems:

- In the municipal sector, for example, TEHY (union, healthcare), SKL (union) and STHL (healthcare union and a member of negotiating body KTN) negotiate collective agreements which also cover P&MS.
- The STTK private-sector unions have a negotiating body (TNJ) for healthcare. In the other sectors, STTK unions negotiate more than 100 binding collective agreements themselves. Many of these agreements also cover P&MS.
- For the State, the collective agreement is negotiated by Pardia (union).

Almost every Akava member has a sector-related employment or collective bargaining contract or a corresponding pay record. Some professional and managerial employees in the service sector are not within the scope of any contract.

## 2. COVERAGE AND TRENDS

According to the 2006 labour force survey, 25.7% of employees in Finland belong to P&MS groups (EU 19.4%). ISCO I in Finland 7.1% (EU 5.6%). ISCO II in Finland 18.5% (EU 13.8%).

The collective bargaining coverage in Finland among P&MS groups is about 90%. The Akava members have approximately 30-40 generally binding contracts, which cover almost every member. The STTK members have approximately 250 collective agreements which are negotiated by the unions.

In the labour and collective bargaining contracts, the conditions of the employment are agreed upon, especially salaries, working hours, holiday compensations, compensation of travel expenses and social issues. Instead, pensions and unemployment security are prescribed by legislation.

As for the union-based contracts, employers aim to transfer more and more issues that must be agreed upon (for example salary issues) to be agreed at the local and enterprise level. Concerning working hours, the contracts offer quite extensive possibilities for local agreements. Also, the Working Hours Act provides for company-based/local agreements to some extent in issues related to working hours, even without the authorisation given in the collective labour agreements. However, a co-operation procedure should at that point be applied in enterprises according to the law, so there are not many collective labour contracts in that connection.

## ► IV. Industrial conflict

The most recent P&MS strikes happened in the design and consulting sector and in the pharmacy sector. After a 10-day strike, the design and consulting sector reached an agreement on the wage dispute. Pharmacists and qualified chemists also staged a 3-week industrial action related to salary.

The threat of a strike by nursing staff in the municipal sector of the STTK member organisation triggered a whole policy debate on the right to strike. During the wage dispute in the healthcare sector in autumn 2007, Finland's Prime Minister strongly criticised the actions of the opposition parties and the Union of Health and Social Care Professionals in threatening mass resignations in the healthcare sector. In light of this threat, the government adopted the new Patient Safety Act, which makes it possible to order a healthcare professional to continue working even if the person in question has resigned. This is the first law in decades that Parliament has prescribed to restrict the right to industrial action. Trade unions condemned the act as an interference with employees' right to strike, but also announced the establishment of joint rules on industrial action before the government would take any further legal measures in this regard.

## ► V. Social dialogue

Akava and STTK's promotion of interests is carried out independently, but also in co-operation with other central organisations, especially at nationwide level with the employers' central organisations and in preparing legislative drafts with the government of the country and the different authorities. Akava and STTK have a recognised representation in this tripartite preparatory work.

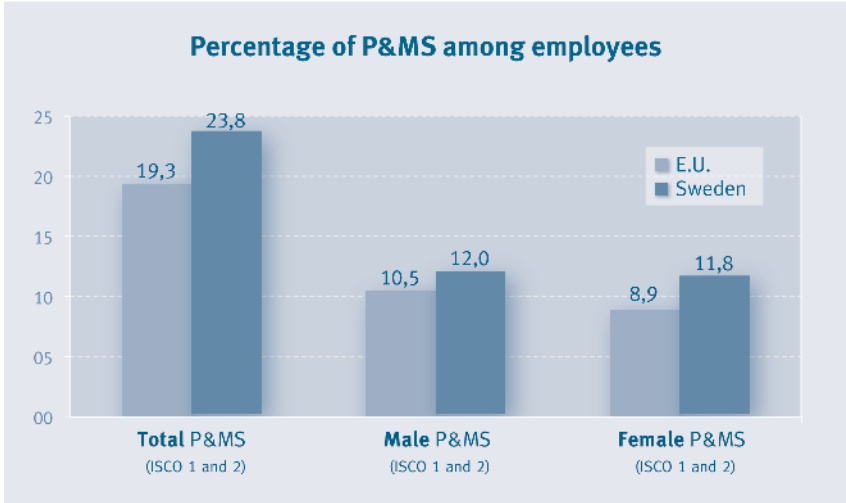
All three (Akava, STTK and SAK) central organisations and their member unions have a strong position in contract-political negotiations in Finland. The central organisations, employers' organisations and the government of the country negotiate tripartite issues related to labour legislation, working life and social politics. The central organisations also have regional organisations which influence regional labour and education questions.



[ Chapter 27 ]



# Sweden



In Sweden 965,000 P&MS correspond to 23,8 % of employees  
(Source EUROSTAT, labour force survey 2007)

## ► I. Definition

There is no legal definition in Sweden. Nevertheless, top managers are excluded from both labour laws and collective bargaining.

There are no legal limitations on P&MS with respect to the right to associate, the right to conclude collective agreements or the right to strike. On the contrary it is illegal to hinder people from joining trade unions or acting on behalf of their unions. CEOs and other people occupying top positions are considered as employer representatives.

## ► II. Trade unions

### 1. P&MS UNIONS

There are three central trade union confederations in Sweden:

**LO**, the **Swedish Confederation of Trade Unions** (*Landsorganisationen i Sverige*), is the central organisation for 19 affiliates which organise workers within both the



private (60%) and the public (40%) sectors. Between them, the 19 affiliates have about 2,169,300 members, accounting for 47% of Sweden's total labour force.

**TCO**, the **Swedish Confederation for Professional Employees** (*Tjänstemännens Centralorganisation*), is the central organisation for white-collar workers. Unionen is the largest of the 16 trade unions affiliated to TCO. Between them, these unions organise 1.3 million members in the private and public sectors (26% of Sweden's total labour force). Both the industrial principle (all the employees in an industry belong to the same union) and the occupational principle (all the employees in the same occupation belong to the same union) are applied among the TCO unions. TCO members work as engineers, teachers, police officers, nurses, bank clerks and other occupational groups at various levels.

**SACO**, the **Swedish Confederation of Professional Associations** (*Sveriges Akademikers Centralorganisation*), consists of 24 associations with a total of 580,000 members, of whom about 100,000 are students. Its members are people who hold university degrees and other higher-education qualifications. Graduate engineers, graduates in Business Administration and doctors, for example, belong to SACO. Members are to be found in the public sector (local government 37%, central government 22%) and the private sector (36%).

There is also another specific union for white-collar workers:

**LEDARNA**, an independent organisation not affiliated to any central trade union confederation. It has 60,000 active members. In the past, they used to affiliate supervisors only, but nowadays, they have enlarged affiliation to managers in all sectors.

Two of the central organisations in the Swedish labour market organise professional and managerial staff (with education, occupation and vertical industrial organisation): TCO and SACO.

Traditionally, LO has mainly organised blue-collar workers, whereas TCO organises white-collar workers and SACO university graduates. However, the membership structures of TCO and SACO are becoming increasingly similar. Within TCO, Unionen is an entirely new trade union, formed by HTF and Sif on 1 January 2008. Unionen is Sweden's largest trade union on the private labour market and has about 50,000 managers as members. The membership also includes self-employed people and pensioners.

## **2. REPRESENTATION**

The rate of unionisation in the TCO and SACO sector is 82% of the total of white-collar employees. National representation is made through each central organisation, locally through each organisation where the members are. It should be stressed that a TCO-SACO Eurocadres Council has been set up for representation of Swedish P&MS unions and co-ordination. There is both co-operation and competition between the unions.

As in the other Nordic countries, the Swedish system of employee representation at company level belongs to the 'single channel' type. There is no institution other than the union for workplace interest representation, including information, consultation and in some cases codetermination. These rights can be established by law or by (central) agreements with employers, or by a combination of both. Workplace representation density is high.

## **3. SERVICES AND ACTIVITIES**

SACO and TCO member organisations act both as trade unions and as professional associations, helping members to strengthen their professional development.

As such, membership services already target students with career information and guidance.

The provision of additional insurance is an important activity vis-à-vis members on the labour market, besides telephone and internet advisory services regarding pay, employment contracts and working conditions. In regard to managerial staff, the services also include additional (health) insurance and help in negotiating individual contracts.

# **► III. Collective bargaining**

## **1. STRUCTURE OF BARGAINING**

The idea of self-regulation through collective bargaining by the social parties is strong. Issues which in other countries may be regulated by law are stipulated in Sweden by collective agreements.

The trade unions at national and sectoral levels and the local trade unions (or representatives of trade unions), on the one hand, and employer associations and organised employers, on the other, are authorised by law (MBL) to sign collective agreements. Unorganised employers can sign application agreements with a trade union in the company.

There are two levels of collective bargaining (of pay, wage formation, and other working conditions): the national/sector level (*föbundsavtal*) and local (company) level. The dominant levels for wage bargaining are sectors and industries, rather than companies. However, both levels have a supplementary relationship, because industry-wide agreements provide leeway for company agreements on the differentiation and individualisation of wages, thus distributing parts of the centrally agreed wage increase at local level according to the preferences of the local players.

Agreements are typically valid for 3 years.

Collective agreements for P&MS are concluded at national branch level and cover everybody except for top managers, who are also excluded from both labour laws and collective agreements. Collective agreements concern all areas such as salary, working time, pensions and general conditions. The structure is the same as for the general situation. The national branch level is the first place and after that, final negotiation at company level is developed with the local trade union together with the local employer.

## 2. COVERAGE AND TRENDS

The coverage rate of collective agreements varies between 80% and 100%, according to the different sectors. Leaving top managers out of account, the coverage rate is probably the same for the P&MS group.

Labour law does not include the principle of the statutory extension of collective agreements to cover an entire industry.

Pay and working time are still the most important issues. However, most elements of life at work can be covered by collective bargaining. More local-level bargaining within the framework of sector-level collective agreements is the trend.

## ▶ IV. Industrial conflict

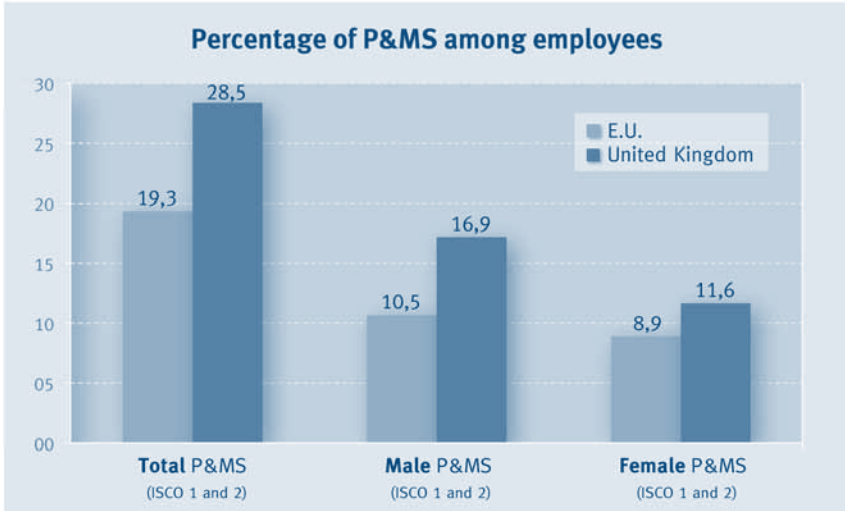
No major conflicts have been reported since 2005. No specific data concerning P&MS are available. However, no known tendency towards the intensification of strike action has been reported.

## ▶ V. Social dialogue

In general, the social partners do not accept the government or any other party intervening in collective bargaining. As a result, there are no tripartite bodies, only negotiations between employers' organisations and trade unions. There are, however, regular ad hoc contacts between the government and the country's social partners on a range of policy issues.



# United Kingdom



In the U.K. 7,169,000 P&MS correspond to 28,5 % of employees  
 (Source EUROSTAT, labour force survey 2007)

## ► I. Definition

The UK employment legislation does not set out formal definitions dividing employed people into such categories as blue-collar or white-collar employees, though there may be some practical distinctions, for example in payment intervals. There are no definitions within UK employment legislation and labour law for professionals or managers.

The sole exception is linked to the introduction of the new *Working Time Regulations* at the end of the 90s wherein a derogation is allowed. This derogation relates to ‘managing executives and other persons with autonomous decision-making powers’. This wide-ranging definition has encouraged some employers to use this form of definition to obtain a derogation for conditions of work for P&MS.

### **TRADE UNION RIGHTS**

There are general rules – these are not specific to P&MS. The key to trade union representation is union recognition by the employer. This means that the employer has agreed to consult or negotiate with the union or unions over

issues affecting the workforce. Formal agreements normally mean that the employer will negotiate with the union on pay and conditions.

Legislation passed in 1999 provided for a legal mechanism to compel employers to recognise unions. Unions must prove to an independent body, the Central Arbitration Committee (CAC), that a majority of employees in a 'bargaining unit', which can be a workplace, several workplaces, or part of a workplace, want a union to represent them. They can do this either by showing that more than half of the employees are union members, or by winning support for the recognition from a majority of employees in a ballot, although this must also be equivalent to at least 40% of all employees in the bargaining unit. The legislation applies only to employers with 21 or more employees. In practice, once the legal process is under way, most cases involve a ballot of employees. However, in the majority of cases where unions seek recognition and have substantial membership, they are able to achieve it on a voluntary basis, as employers will be aware that the legal avenue is open to the union if recognition is refused.

There are no legal rules or guidance on the number of union representatives/shop stewards.

All unions have a statutory right to accompany their individual members to individual grievance and disciplinary hearings.

## ► II. Trade unions

### 1. P&MS UNIONS

The union density rate is around 28% in the UK.

British unions are organised in a variety of ways. Some organise particular occupations, such as teachers or radiographers, or even particular companies. However, the great majority of union members are now in large unions, formed by mergers, which have members in many sectors of the economy. Industry-based unions are now also less common. Most unions are affiliated to the Trades Union Congress (TUC). There are around 60 independent unions affiliated to the TUC. Affiliation is not dependent upon political, religious or occupational considerations, as it is a non-discriminatory organisation. If conflicts arise between affiliated unions, the TUC will settle them.

The following unions are members of the TUC and can be considered as important unions in relation to P&MS:

- ▶ **Unite:** on 1 May 2007 Unite, the UK's largest trade union, was born. Created through the merger of Amicus and the Transport and General Workers' Union (T&G), Unite has two million members. The new union represents workers in the public and private sectors and in almost every industry and profession; it is the dominant union in manufacturing, energy, transport, finance, food and agriculture. It also represents members working in the National Health Service, education, local authorities, government departments and the voluntary sector.
- ▶ **Prospect:** a trade union which represents engineers, managers, specialists and scientists in both the public and private sectors. It was formed on 1 November 2001 by the merger of the Institute of Professionals, Managers and Specialists (IPMS) and the Engineering Managers' Association (EMA). As of 2006 it had 102,000 members.
- ▶ **Community:** a British trade union representing workers in the clothing, textiles, footwear, steel and betting industries as well as workers with disabilities. Community has merged or transferred the commitments of a number of smaller unions, some of which have retained their structure as sectors within Community. These include the National League of the Blind and Disabled (NLBD), the National Union of Domestic Appliances Operatives (NUDAGO) and the British Union of Social Work Employees (BUSWE). It has about 35,000 members.
- ▶ the **University and College Union (UCU)** is the largest trade union and professional association for academics, lecturers, trainers, researchers and academic-related staff working in further and higher education throughout the UK. It was formed by the 2006 merger of the Association of University Teachers (AUT) and NATFHE, the University & College Lecturers' Union, and has a combined membership of approximately 120,000.
- ▶ **Public and Community Services (PCS)** is the sixth largest trade union in the United Kingdom. Most of its members work in positions in government departments and public bodies, although some work in information technology for private companies. The union was founded in 1998 by the merger of the Public Services, Tax and Commerce Union (which mostly represented the executive 'managerial' grades of the civil service) and the Civil and Public Services Association (mostly representing the administrative grades). The union has over 320,000 members and is the largest active trade union representing civil servants in the UK. Its membership is growing.
- ▶ **UNISON**, the second largest union with 1,317,000 members, organises primarily in the public services, although as a result of privatisation it also has substantial membership in private companies.



- ▶ **Connect** is a campaigning union representing 20,000 managers and professionals in the communications industry.

There are certain areas of competition, but this is regulated as much as possible by the TUC.

## 2. REPRESENTATION

There is no common structure for employee representation in the UK, and in many workplaces it does not exist. Unions are the most common way in which employees are represented, and they can now legally compel the employer to negotiate with them, but only if they have sufficient support. Most non-union workplaces have no other form of employee representation such as a works council. Regulations now also exist in the UK implementing the EU directive on information and consultation. They provide a new opportunity to implement information and consultation bodies. However, many doubts are still being raised as to the real effectiveness of the measure. Although this new law contains some standard provisions, it leaves a lot of flexibility to both parties (employers and employees) to determine the particular form and practice to be taken by information and consultation provision. It gives employees in companies affected by the legislation the right to be informed and consulted, if the employees request these arrangements. A valid request is defined as one or more requests that amount to 10% of the employees of the company requesting that the information and consultation arrangements be established. Furthermore, the 10% trigger is subject to a minimum of 15 employees requesting and a maximum of 2,500 employees requesting, which means that small employers are subject to a higher trigger than 10% and large employers subject to a much lower trigger than 10%. In other words, employers still do not need to act unless they receive a valid request.

## 3. SERVICES AND ACTIVITIES

There is little difference in the reasons why managers and professionals join unions compared to those given by all other occupational groups. The need for independent organisation and for a collective means to defend and promote workers' interests remains constant across all occupations.

All trade unions are engaged in collective bargaining and in assisting individuals in labour disputes. Many activities are carried out to inform, assist and

advise members (for example on health and safety, pensions, career management, job opportunities and legal rights), often with the help of ICT solutions. A wide range of services is offered to P&MS members by the different unions. These services can be differentiated according to the main economic sectors where P&MS have specific bargaining systems or results. Legal and financial provisions (e.g. insurance), training and professional advice are common aspects of trade union activities targeting P&MS.

#### **4. OTHER PROFESSIONAL ORGANISATIONS**

In some cases, there are small breakaway unions formed by disaffected members of TUC-affiliated unions, while others still have links with the TUC but are not members of it. However, there are a few significant unions representing staff in the Health Service, such as the Royal College of Nursing (RCN) and the British Medical Association (BMA), and a few small unions representing professionals in the teaching sector who are outside of the TUC. All these organisations are in some form of competition for membership with TUC-affiliated unions within their sector.

### **► III. Collective bargaining**

#### **1. STRUCTURE OF BARGAINING**

Unlike the position in many other countries, collective agreements are not legally binding. In keeping with the traditional notion of voluntarism in British industrial relations, they have moral force only, but in practice are no less successful for that. The contents of collective agreements are usually subsequently included in individual employment contracts, which are legally enforceable. Nevertheless, today only one third (33.5%) of employees in the UK are covered by collective bargaining. Coverage is lower in the private sector, at around one fifth, and the key bargaining level is the company or the workplace.

Collective bargaining in the UK is not hierarchically structured, with differentiation of tasks between the usual centralised, sectoral or plant levels. Instead, collective bargaining can take place at any level, on any issue. However, the TUC has not been involved in pay bargaining at national level since the end of the government policy on prices and incomes in the seventies.

Employers are not bound by any agreement signed by a federation, although they may be members of it. In practice, recent years have been marked by a clear shift from industry-level bargaining to negotiations at company level, and a number of employers' federations have broken up or ceased to be involved in collective bargaining. As a result, companies are much more likely to set their own terms and conditions, either for the whole company or for specific plants.

Differentiation of agreements between different grades of worker is also common, most usually between manual and non-manual employees.

The TUC-affiliated unions have agreed on elements of minimum standards specifically designed for P&MS to be discussed and agreed with employers, with several important clauses:

1. a definition of the P&MS group in the companies,
2. equality of opportunity: criteria for promotion must be transparent, as is the case with job requirements and performance-related pay; minorities or marginalised groups should be integrated; and part-timers should have the same treatment as full-timers,
3. health and safety: application of the European Working Time Directive to P&MS; risks of stress should be avoided and should be discussed with the employers,
4. codes of conduct for regulating the manner in which P&MS undertake their duties,
5. mobility: can be included only in the case of staff for whom it is a genuine requirement, guaranteeing sufficient notice for any change of location and recognition of qualifications, particularly in the case of a change of country,
6. training, career development and reorganisation: training needs should be regularly reviewed; procedures on promotion should be clear and transparent; where changes are needed (skills, responsibility), training costs should be paid by the employer and lead to an increase in salary; limited use of self-employment status,
7. environmental and technological awareness: impact of the information society, notably on privacy and integrity of rest periods,
8. occupational pension rights: P&MS require specific guarantees over pension entitlements; transfer to other European countries.

## 2. COVERAGE AND TRENDS

All private-sector P&MS bargain at company level, many on an individual basis. Certain public-sector groups, especially in the Health Service, bargain nationally. No specific data exist on P&MS coverage by collective agreements.

Pay and working conditions are the main issue.

## ► IV. Industrial conflict

Industrial action is moderate compared to other EU countries, although it has been increasing since 2005. The most strike-prone industries are in the public sector, and the main reason for industrial action is pay. Almost all labour disputes in the UK follow an affirmative ballot initiated by trade unions and supervised by an independent organisation – usually the Electoral Reform Services (ERS). The number of ballots held has increased over the last five years and 1,341 took place in 2006. No specific information exists for the P&MS group.

However, a recent example comes from the PCS union. In January 2007 the union publicly announced that members had voted for industrial action in protest against the continued threat of compulsory redundancies and relocations and outsourcing to the private sector, and in defence of decent pensions, adequate resourcing to provide public services and a requirement for a fair, national pay system. The action included a one-day strike, which took place on 31 January, followed by a two-week overtime ban and further discontinuous action. With employers still not committing to formal negotiations to resolve the dispute, a further national one-day strike took place on 1 May.

The industrial relations system is also increasingly characterised by a formalised system of individual grievance procedures. The level of individual litigation and employment tribunal cases increased considerably in the 1990s. Laws were introduced just after the turn of the century to reverse this trend, with new tasks of individual conciliation and mediation being assigned to the Advisory, Conciliation and Arbitration Service (Acas) in this context. However, these measures have had the opposite effect to the one intended, and the UK government is reviewing proposals to change dispute resolution procedures.

Acas is the main body involved in conciliation and arbitration. It is an autonomous tripartite body established by statute, and its task is to improve industrial relations. The largest part of Acas' work is individual conciliation.

## ► V. Social dialogue

Policy co-ordination is not part of the British tradition of industrial relations. As a result, no specific tripartite bodies for social dialogue in respect of P&MS exist.





# Appendix

## Overview of working conditions of professional and managerial staff

Since the launch of the Lisbon Strategy in 2000, the common goal for Europe has been to establish ‘the most competitive and dynamic knowledge-based economy, capable of sustainable economic growth with more and better jobs and greater social cohesion’. Data from the European Growth and Jobs Monitor (2008, 5) show that Europe has created 17 million new jobs since the Lisbon Agenda was signed. Nevertheless, in the face of global economic uncertainty, Lisbon’s quantitative targets<sup>1</sup> have become difficult to achieve in the given time frame by 2010 (e.g. Berkhout et al, 2009).

The qualitative trend in the European labour market, on the other hand, shows a growing need for highly-skilled and innovative workers such as professional and managerial staff (see e.g. Tessaring, 2008). The Council of European Professional and Managerial Staff (*EUROCADRES*) represents these highly-skilled workers in European social dialogue. However, the number of skilled workers is increasing in Europe, and employment and working conditions of this group of workers are of interest to a wide range of actors concerned with labour market issues.

Pay and working hours are among the most important and tangible aspects of employment conditions. These are very relevant, especially for managers, and also, to some extent, for professionals as these workers often have high remuneration and long working hours (e.g. Eurofound, 2007, 67). Managers and professionals commonly work in discretionary learning organisations (characterised by a high incidence of autonomy, problem-solving, task complexity and self-assessment), but also in lean production types of organisations (with a high incidence of teamwork, job rotation, assessment of quality of work, just-in-time working and pace constraints) (Valeyre et al., 2009). Bearing in mind their working environment, job autonomy, work intensity and the (intrinsic) nature of the work, as well as health risks, are particularly important aspects for these workers. Finally, the article presents a brief overview of European women in managerial positions, as gender equality is one of the areas of action of *EUROCADRES* and increasing the number of women in

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1 Overall employment rate of 70% at least 2) At least 60% employment rate for women 3) At least 50% employment rate for elderly 4) Overall unemployment rate of 4% or less.



managerial and decision-making positions is one important EU policy goal in the wider context of equality between men and women.

The following analysis is based on the 4<sup>th</sup> European Working Conditions Survey (EWCS) and data from the Labour Force Survey<sup>2</sup> (LFS). Managers and professionals are conceptualised based on the International Classification of Occupations (ISCO-88) as workers in ISCO group 1 (Legislators, senior officials and managers) and ISCO group 2 (Professionals) following the Eurocadres norm. The two groups are described in this order, first ISCO 1 (managers) and then ISCO 2 (professionals). To give a context for comparisons, other occupations<sup>3</sup> are also referred to in the text.

## European data related to P&MS

Among employees, employers and the self-employed, the two occupations (managers and professionals) are represented varyingly, with 6% of employees working as managers in the EU. However, working as a manager is much more common among employers and the self-employed; almost half (46%) of employers and also 14% of self-employed people are managers. For professionals, employment status does not play such an important role and they are equally represented in the three groups: 15% of both employees and employers and a further 13% of self-employed people are professionals. However, the overall European picture includes specific national situations.

In the United Kingdom, Estonia and Ireland, the shares of *managers* among employees range from 10% to 14%, whereas in other parts of Europe the proportions fall below 10%, with the smallest shares (2%) occurring in many Southern European countries (Greece, Spain, Italy, Cyprus and Portugal). In contrast, in most countries there are big shares of managers among employers. The biggest shares (above 50%) are found in many Eastern European countries (Slovakia, Slovenia, Romania, Poland, Lithuania, Latvia, Estonia and Bulgaria), in Finland, Portugal, Luxembourg, Spain and Belgium. Cyprus

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2 LFS is used to describe professional and managerial staff at country level as its sample size is bigger than in the EWCS. The data used for this are approximately from the same time period when the field-work for the EWCS took place (3rd quarter of 2005).

3 Technicians and associate professionals, Clerks, Service and sales workers, Skilled agricultural and fishery workers, Craft and trades workers, Plant and machine operators and Elementary occupations.

and Sweden stand out, with shares of only 17% and 24% respectively. In many of the New Member States there are hardly any managers among the self-employed (5% or less in Poland, Hungary, Czech Republic and Slovakia; note that Sweden is among these). Ireland accounts for the highest share of managers within the self-employed group (44%), followed by Luxembourg, Belgium and Denmark (30%).

The share of *professionals* among employees is at its highest at around 20% in Luxembourg, Belgium and Lithuania. The percentages are also above the EU average (14%) in the Scandinavian countries and the Netherlands, Poland, Slovenia, Ireland, Greece and Spain. In Italy and Austria, the percentages are at their lowest, at below 10%. Compared to managers, it is much rarer for an employer to be a professional. At the top of the rankings, 23% of employers are professionals in Germany, followed by 17% shares in the Czech Republic, France and Luxembourg. The lowest proportions (less than 10%) of professionals among employers are in Southern and Eastern Europe (Portugal, Spain, Italy, Bulgaria, Romania and Poland) and in Finland. Among the self-employed, professionals are common (some 25% of workers) in continental countries such as Luxembourg, the Netherlands and Germany and also in Sweden. This is not the case for Romania, Portugal, Poland and Slovenia (5% or less of the self-employed are professionals).

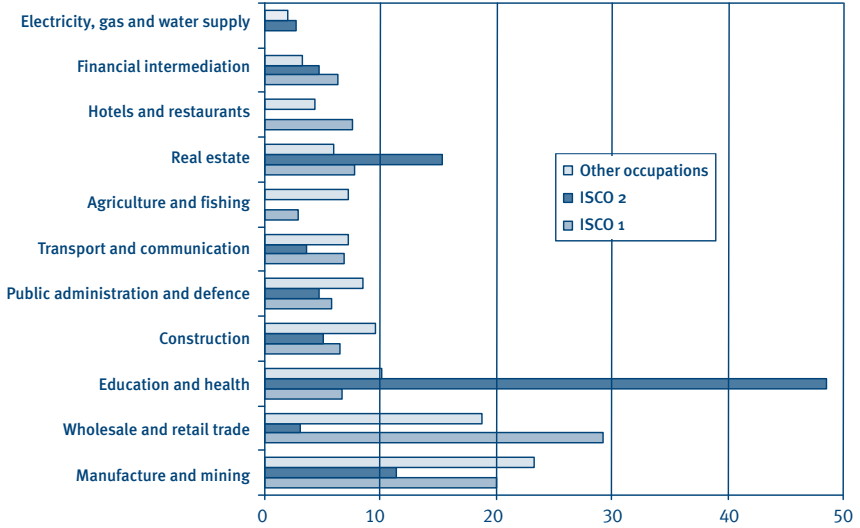
In addition to variations by country, *men and women* are working as managers and professionals to a different extent. The gender distinction is clear among employees; in the EU, 7% of male employees are managers, which is almost double the share as compared to female employees (4%). The picture is more balanced for employers and the self-employed. In these categories, there are slightly more managers among women as compared to men: employers: 45% of men and 48% of women, and the self-employed: 13% of men and 16% of women. Working as a professional is generally slightly more common for women than for men, irrespective of the employment status (see Table 1).

In the EU, the majority of managers (79%) are working in the private sector and a further 17% work in the public sector, whereas professionals are almost equally distributed between the two, at 47% in the private sector and 45% in the public sector. Managers are mainly concentrated in the wholesale and retail trade (29%) and in manufacture and mining (20%), whereas professionals are mainly concentrated in education and health (49%) (see Figure 1; no bars are presented where there are not enough data).

**TABLE 1:** Professional and managerial staff staff in EU27 countries by gender (%)

COUNTRY	EMPLOYEES				EMPLOYERS				SELF-EMPLOYED			
	ISCO 1		ISCO 2		ISCO 1		ISCO 2		ISCO 1		ISCO 2	
	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women
<b>EU27</b>	7	4	13	15	45	48	13	16	13	16	12	16
<b>BE</b>	9	5	16	26	52	57	13	16	28	25	25	27
<b>BG</b>	4	3	8	17	79	68	NA.	NA.	NA.	NA.	7	11
<b>CZ</b>	5	3	9	12	50	32	13	30	5	6	13	18
<b>DK</b>	7	2	17	15	40	28	17	26	30	30	13	28
<b>DE</b>	5	2	15	12	30	36	22	25	16	15	24	30
<b>EE</b>	15	8	11	18	81	NA.	NA.	NA.	NA.	NA.	NA.	NA.
<b>IE</b>	11	9	14	21	38	47	12	17	47	29	8	21
<b>EL</b>	2	1	13	20	51	49	10	21	23	27	10	16
<b>ES</b>	3	1	10	17	55	52	6	9	14	30	9	13
<b>FR</b>	7	5	14	12	38	38	14	28	21	31	13	18
<b>IT</b>	3	1	7	10	46	59	9	8	16	28	14	21
<b>CY</b>	3	1	12	15	17	NA.	11	19	NA.	NA.	8	17
<b>LV</b>	6	7	8	16	87	84	NA.	NA.	NA.	NA.	NA.	17
<b>LT</b>	8	7	13	27	78	NA.	NA.	NA.	NA.	NA.	NA.	NA.
<b>LU</b>	5	1	21	21	73	77	17	NA.	30	31	28	28
<b>HU</b>	7	5	10	16	40	29	9	15	4	4	12	18
<b>MT</b>	8	4	10	15	40	NA.	NA.	NA.	NA.	NA.	NA.	NA.
<b>NL</b>	9	4	17	19	47	41	17	13	27	18	25	28
<b>AT</b>	7	3	9	10	45	50	17	11	17	11	11	12
<b>PL</b>	6	4	12	26	65	60	6	8	1	1	4	6
<b>PT</b>	2	2	8	13	75	76	NA.	NA.	17	15	4	3
<b>RO</b>	3	2	12	15	75	67	NA.	NA.	NA.	NA.	1	NA.
<b>SL</b>	5	4	12	21	53	54	7	17	14	12	4	9
<b>SK</b>	6	4	8	14	57	43	11	20	5	6	9	21
<b>FI</b>	9	5	17	18	61	50	6	8	17	11	10	16
<b>SE</b>	5	3	18	20	25	22	13	15	4	6	23	30
<b>UK</b>	18	10	14	13	38	50	23	16	10	13	13	17

**FIGURE 1 – Professional and managerial staff by sector (%)**



EWCS 2005

These three sectors, manufacture and mining, wholesale and retail trade, and education and health, are the most common sectors to work in. Managers are clearly above the EU average in wholesale and retail trade, while professionals are clearly over-represented in education and health and in the real estate sector.

## Employment and working conditions

The following description of employment and working conditions of professional and managerial staff focuses only on employees. There are two reasons behind this choice: firstly, the collective representation of professional and managerial staff among employers and the self-employed varies depending on the country and therefore they are not always represented by Eurocadres. Secondly, from an analytical perspective, employers and self-employed workers and employees are very distinctive groups with different working environments which suggest distinguishing between the different statuses.

In order to give a broader insight into the working conditions of managers and professionals, these are further analysed, taking into consideration their position as supervisors or subordinates. 68% of employed managers and 21% of employed professionals have a supervisory role at work. There is a clear gender difference concerning professionals with supervisory responsibilities, where men are almost three times as heavily represented as women (32% of men against 12% of women). Male and female managers have supervisory responsibilities to the same extent (68% of both). However, even if male and female managers have supervisory responsibilities to the same extent, men seem to be at a higher level of hierarchy as they have more subordinates than their female colleagues. Male managers have on average 40 subordinates and women have only 12. Also, male professionals in supervisory roles have on average more subordinates (23) compared to female professionals (10).<sup>4</sup>

## Pay and working time

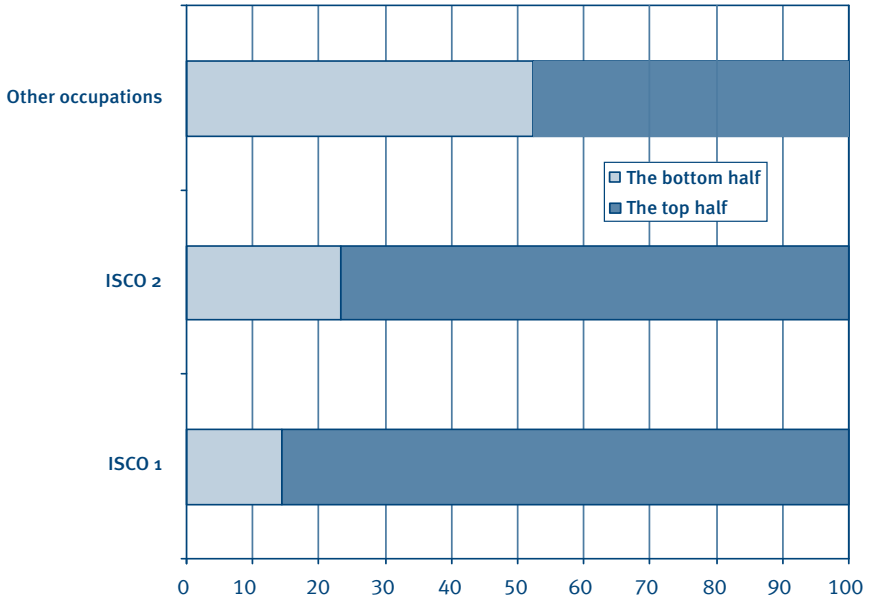
When looking at pay, there is no doubt that professional and managerial staff comprise the best-paid employees. Concerning the EWCS question about pay, the respondents are given a 10-point scale and they are asked to place themselves in one of the ten income categories.<sup>5</sup> Managers have the highest income: almost all of them (86%) and also more than three quarters (77%) of professionals are in the top income category (see Figure 2). It is worth noting that concerning other occupations, relatively big portions of craft and trades workers (59%) and plant and machine operators (55%) are in the top category. In comparison, fewer employees in occupations which require higher skills such as clerks (46%) and service and sales workers (37%) are in the top income category. One explanation is that these occupations are female-dominated, which also points to the gender pay gap (although this is *partly* explained by the fact that women work part-time more commonly than men).

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4 When looking at the supervisory roles, only employees in establishments with more than one person working are included.

5 One limitation in observing pay here is that it is categorised roughly into two groups: the highest five and the lowest five deciles. This is due to methodological constraints as the selected sample does not allow a more detailed look. For an overview of measuring pay in the EWCS see Eurofound, 2007, 99.

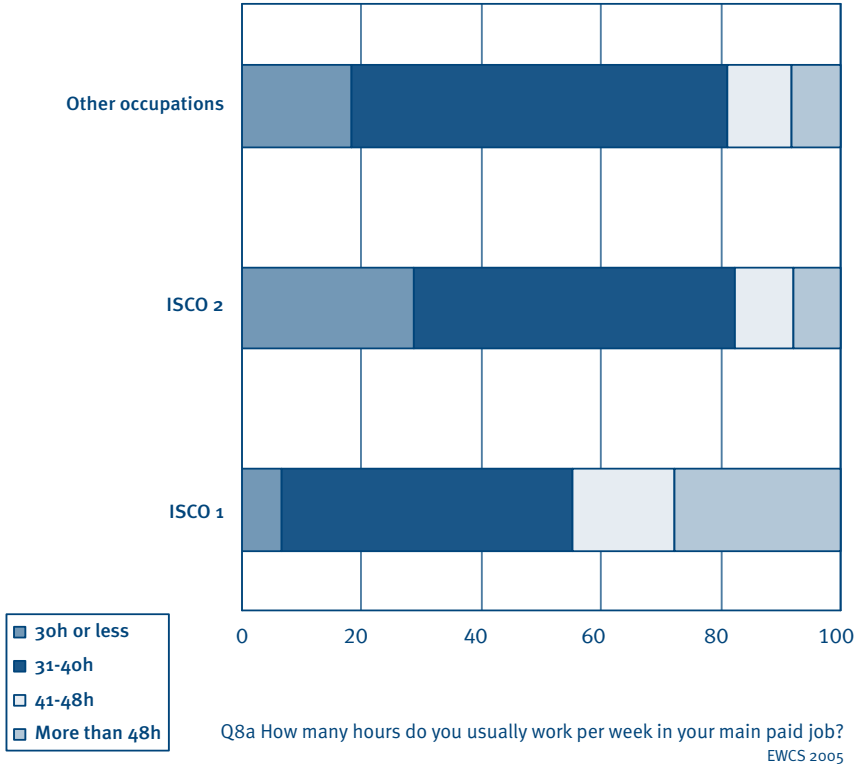
**FIGURE 2 – Income from main paid job, employees (%)**



EF5 Presently, what is on average your net monthly income from your main paid job?  
EWCS 2005

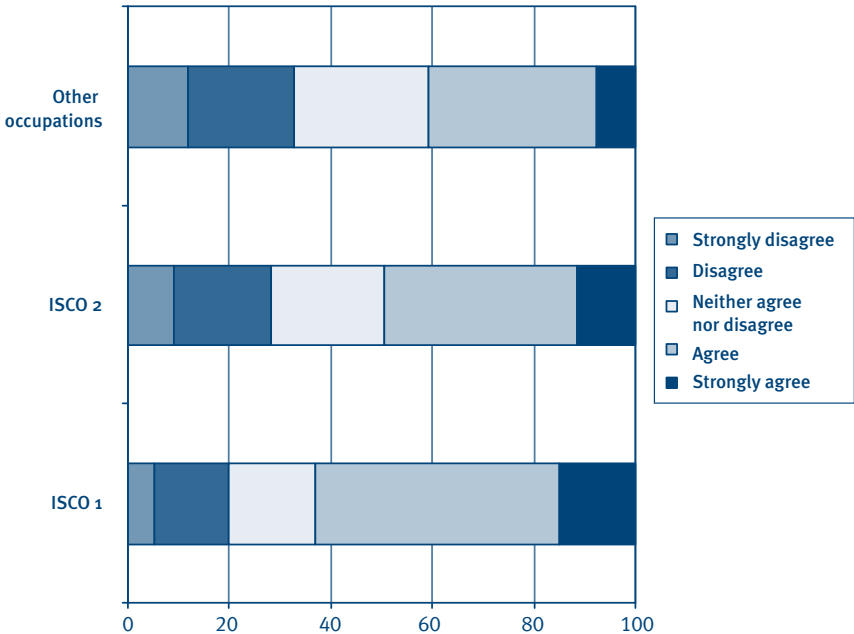
Often higher remuneration is related to longer working hours. This is particularly true for managers, who tend to be well paid but who also have the longest working hours. Over a quarter (28%) of them work more than 48 hours a week (defined as long working hours) and a further 17% of managers work from 40 to 48 hours a week (see Figure 3). Working time increases significantly with supervisory responsibilities. Managers and professionals work on average 43 and 35 hours a week respectively. In both of the occupations, having a supervisory role increases the weekly working time by 6 hours. For managers the increase is from 39 (subordinates) to 45 hours (supervisors) and for professionals from 34 (subordinates) to 40 hours (supervisors).

**FIGURE 3 – Working hours, employees (%)**



The relation between working hours and pay is less clear for professionals, who have very different working hours compared to managers. Barely 8% of professionals have long hours (more than 48 hours a week), while 29% work less than 30 hours a week. However, it should be kept in mind here that the picture of pay is a very rough one and that managers have the highest probability of being in the very highest income category of the ten deciles, which somewhat compensates for the long working hours (see Eurofound, 2007, 84–85). This is further confirmed by the employees’ perception about the fairness of their pay: 65% of managers and almost half of professionals (49%) strongly agree or agree that they are well paid for the work they do, whereas the proportion of employees in other occupations agreeing is 41% (see Figure 4). Additionally, both managers and professionals have higher income security compared with other workers, i.e. the household income is sufficient for living comfortably (Van Gyes, 2005, 15–16).

**FIGURE 4** – Perception of pay in relation to work, employees (%)



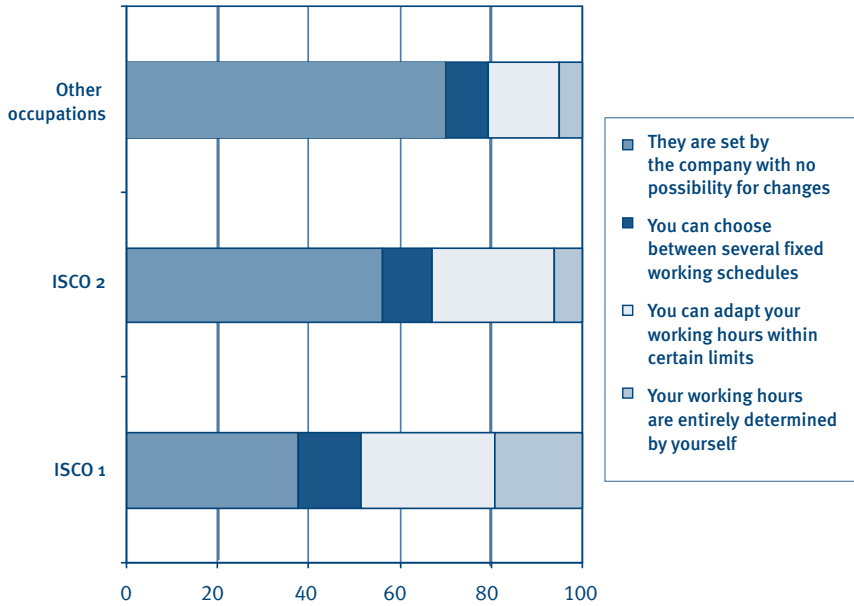
Q37 How much do you agree or disagree with the following statements describing some aspects of your job? B – I am well paid for the work I do

## Job autonomy, work intensity, nature of work and health outcomes

Managers, who commonly work long hours, have more autonomy in deciding their working time compared to other occupations: 19% of them can determine their working hours entirely themselves, compared to 5% of employees in other occupations (see Figure 5). Professionals' working time autonomy is closer to other (also relatively highly- skilled) occupations. Workers in low-skilled occupations usually do not have the possibility of changes in working time.



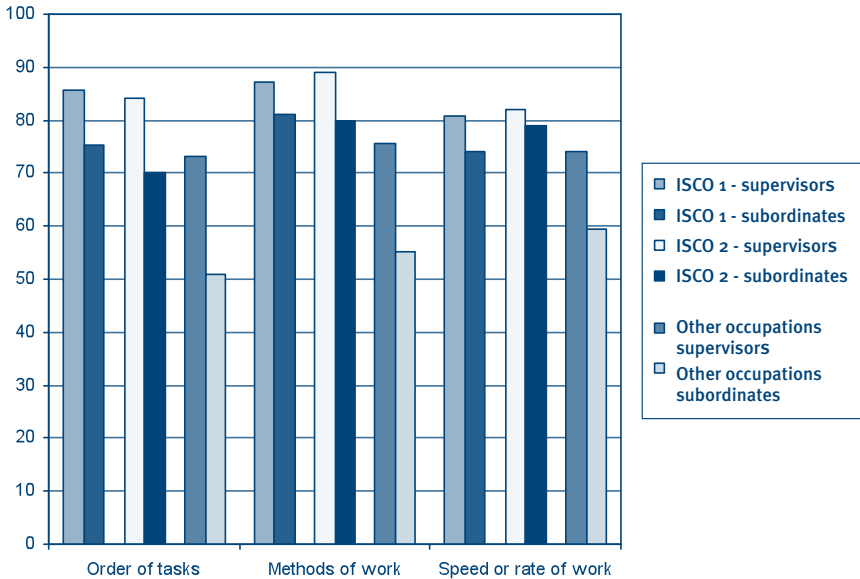
**FIGURE 5 – Working time autonomy, employees (%)**



Q17A How are your working time arrangements set?  
EWCS 2005

Managers’ autonomy at work includes also being able to choose or change the order of tasks, methods of work and speed or rate of work. On average, around 60% of employees declare having autonomy at work in the three aspects whereas 80% of managers respond affirmatively. Professionals also have a high level of autonomy (80%), especially concerning the methods and speed or rate of work, but compared to managers, they have less autonomy in choosing or changing the order of tasks (83%, compared to 74%). The levels of autonomy clearly increase with supervisory responsibilities, both for managers and professionals, and the increase in autonomy which comes with supervisory responsibilities is even bigger for employees in other occupations (see Figure 6).

**FIGURE 6 – Job autonomy in choosing or changing order of tasks, methods of work and speed or rate of work, employees (%)**



Q24 Are you able, or not, to choose or change...?  
 A – your order of tasks B – your methods of work C – your speed or rate of work  
 EWCS 2005

For 43% of European employees, the pace of work depends on numerical production or performance targets. Craft and trades workers and plant and machine operators register the highest values (59% and 58% respectively). Managers and professionals have clearly different situations with 56% of managers declaring that their pace of work is dependent on the targets against 43% of professionals (which is in line with the EU average). Production or performance targets are least common for service and sales workers (30%), clerks (34%) and those working in elementary occupations (35%). Pace of work is especially commonly dependent on the targets if the employee has a supervisory role; 61% of managers and 60% of professionals who are supervisors confirm that the targets are present in their work. For professionals especially, a supervisory role changes the nature of working considerably, as the percentage goes up by 17 points.

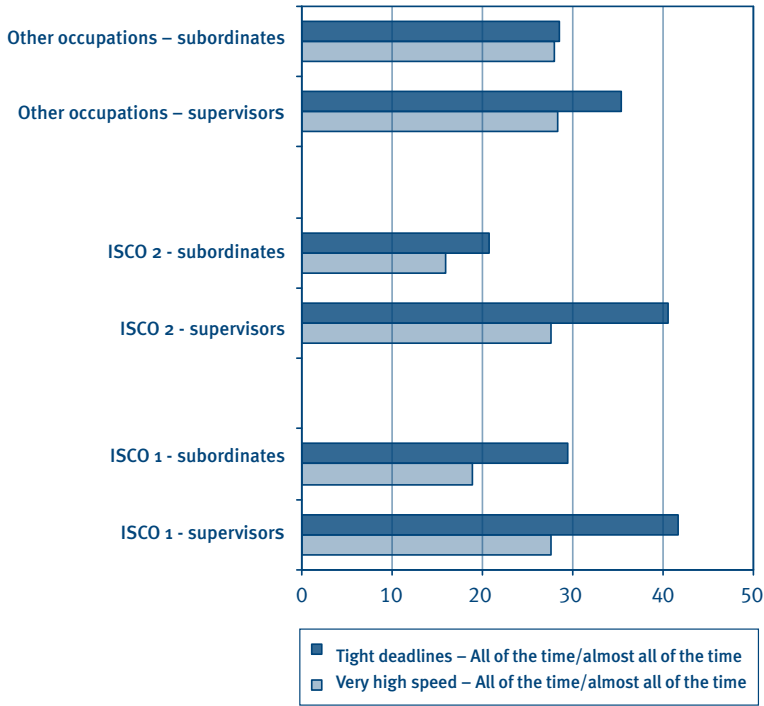
A distinctive characteristic between managers and professionals and other types of occupations is that the requirements of the job follow managers and

professionals home. Over a quarter (26%) of managers and almost a fifth (17%) of professionals say that they are contacted in matters concerning the job outside normal working hours at least once a week, compared to 9% of employees in other occupations. For managers and professionals with supervisory responsibilities, the percentages of those who are contacted at least weekly are as high as 30% and 29%.

Work intensity, working at very high speed and to tight deadlines, has increased in EU countries since the 1990s. (Fifteen years of working conditions in the EU: Charting the trends, 2007.) However, work intensity is much higher in some occupations than others. Managers, but also plant and machine operators and craft and trades workers, are the people most commonly working all the time at very high speed (16% of plant and machine operators and 14% of managers and craft and trades workers, compared to the EU average of 11%). Working to tight deadlines is clearly most common for managers, with almost a quarter (24%) of them saying that they are constantly working to tight deadlines. Also, 19% of plant and machine operators report tight deadlines being present all the time, whereas this is much less common in other occupations and the EU average is 13%. Professionals are clearly below the EU averages in both of these measures of work intensity; only 6% work at very high speed and 11% have tight deadlines all the time.

At the other end of the scale, at the top end, 27% of workers in elementary occupations but also 26% of managers and professionals say that they never have to work at very high speed (compared to the EU average of 22%). This indicates that the variation in the pace of working is considerable in managerial jobs. Furthermore, at the highest, 31% of those working in elementary occupations and 28% of service and sales workers never have tight deadlines, whereas the shares of managers and professionals are below (13%) or at the EU average (19%). The relation between work intensity (described as working at very high speed and/or to tight deadlines) and supervisory responsibilities is unambiguous: supervisors say that they have to work to tight deadlines and at very high speed much more often than subordinates. Also, the relation is more evident for managers and professionals than for employees in other occupations (see Figure 7). Again, it seems that the working conditions of managers and professionals become more alike when the employee has supervisory responsibilities.

**FIGURE 7 – Working to tight deadlines and at very high speed, employees (%)**



Q20B And does your job involve...?  
 A – Working at very high speed  
 B – Working to tight deadlines

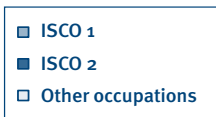
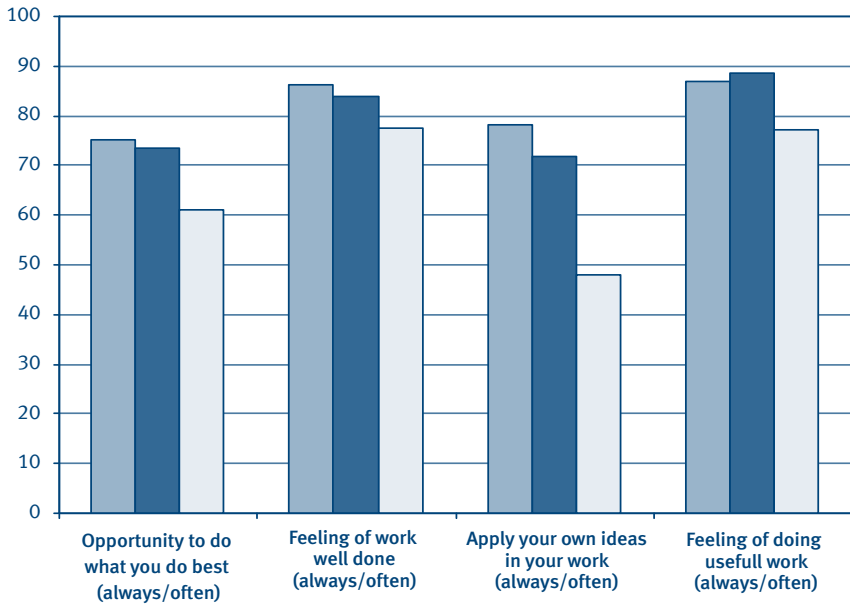
EWCS 2005

Managers and professionals state more often than other workers that they rarely have enough time to get the job done (20% of managers and 16% of professionals, compared to 12% of employees in other occupations). Time pressure is clearly more intense for those with supervisory responsibilities: 26% of managers and 18% of professionals in supervisory positions report rarely having enough time to do the work. In addition to high work intensity, managers face interruptions in their tasks much more than employees in other occupations, with 30% of managers saying that they have to take up unforeseen tasks very often, which is more than twice the proportion compared to other occupations (for professionals, the percentage is 16 and for employees in other occupations, the percentage is 12).<sup>6</sup>

6 33% of employees who are faced with interruptions consider them as disruptive.

As to the positive aspects of working conditions, the intrinsic nature of work, the vast majority of managers and professionals feel that the work they are doing is rewarding both to themselves and to a larger community. Over 70% of managers and professionals say that they have the opportunity to do what they do best, that they have a feeling of work well done, that they are able to apply their own ideas in the work and that they have the feeling of doing useful work (see Figure 8). The feelings of work well done and doing useful work are common to employees in all occupations; however, for the two other aspects (the opportunity to do what you do best and applying your own ideas in your work) there are bigger occupational variations in these abilities as these are less common for example for workers in elementary occupations, for clerks and for plant and machine operators.

**FIGURE 8** – Areas of intrinsic nature of work, employees (%)

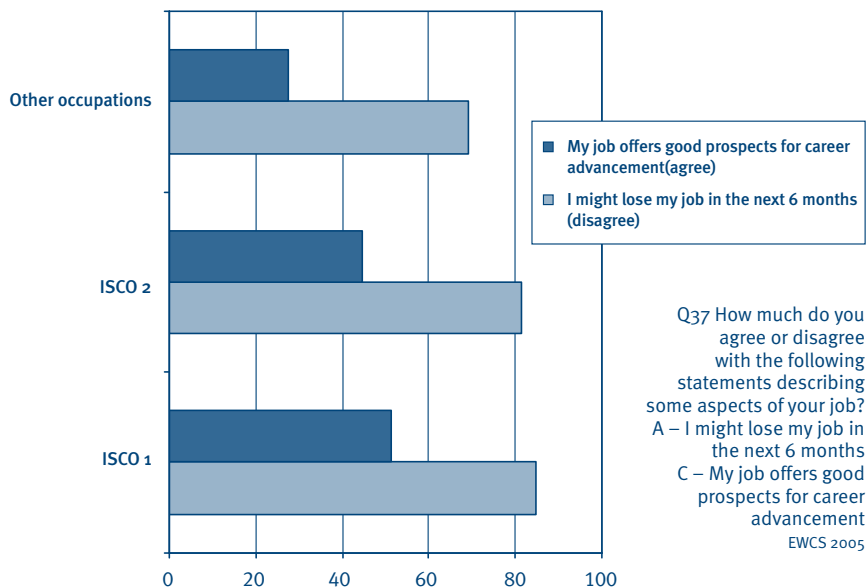


Q25 For each of the following statements, please select the response which best describes your work situation.  
 H – At work, you have the opportunity to do what you do best  
 I – Your job gives you the feeling of work well done  
 J – You are able to apply your own ideas in your work  
 K – You have the feeling of doing useful work

EWCS 2005

Having a long-term view of the work, when it comes to career paths, there is a relation between the skills levels of the occupation and, firstly, worrying about losing the job, and secondly, having prospects for career advancement, with conditions for employees in highly-skilled occupations (such as professional and managerial staff) being more advantageous than those of other employees in these respects. Managers and professionals are not commonly worried about losing their job (slightly more than 80% of them disagree with the statement ‘I might lose my job in the next 6 months’, compared to 69% of employees in other occupations) and when compared to 27% of employees in other occupations, more than half (51%) of managers and 44% of professionals agree that they have good prospects for career advancement (see Figure 9). In addition, managers and professionals have more possibilities than other employees to further improve their skills, as half of the managers and 44% of professionals have undergone employer-paid training in the past 12 months compared to a modest 25% of employees in other occupations.

**FIGURE 9 – Job and career prospects, employees (%)**

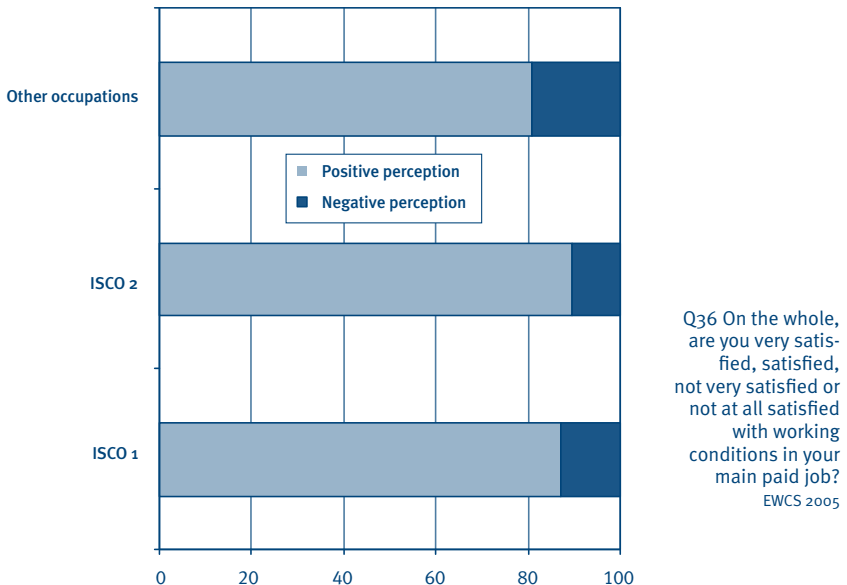


Finally, health at work is another important aspect of working conditions (if not the most important). 34% of European employees say that work affects their health. Managers and professionals rate below the average, as 32% of them in both of the occupations report health effects. The proportions are the

highest for skilled agricultural and fishery workers (58%), plant and machine operators (49%) and craft and trades workers (47%), for whom the work is often physically demanding. Also, subordinates report work-related health problems more often than supervisors (managers: 31% of supervisors, compared to 36% of subordinates, professionals: 26% of supervisors and 34% of subordinates). Considering the work of managers and professionals, the physical conditions of the work are not as demanding as in many other occupations. In the two occupations, psychologically related health problems (anxiety, sleeping problems, irritability and stomach ache) are more common (Eurofound, 2007, 62–64).

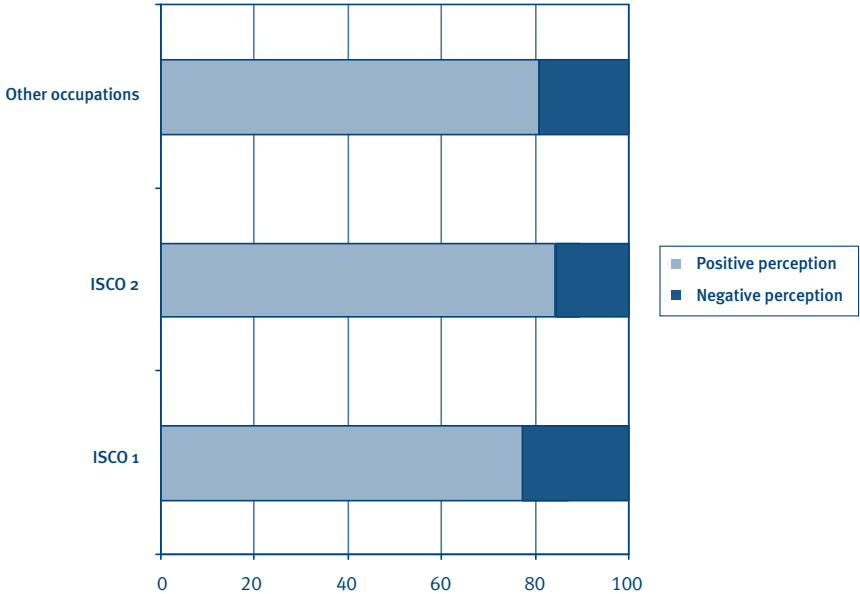
What is the contribution of the different positive and negative aspects of work to the subjective feelings of overall satisfaction with working conditions? The lion’s share (83%) of the employees in the EU are satisfied with their working conditions. Managers and professionals are more often satisfied with their working conditions compared with employees in other occupations (see Figure 10). Also, supervisors have a positive perception more often than subordinates. Very high percentages, 88% of managers and 94% of professionals in supervisory roles, are satisfied with their working conditions.

**FIGURE 10** – Satisfaction with working conditions, employees (%)



When work is put into the wider context of life, when asking about the fit between working hours and family and social commitments, 81% of European employees consider the fit as good. Managers have a negative perception of the issue more often compared both to professionals and to employees in other occupations (22% of managers and 15% of professionals have a negative perception) (see Figure 11).

**FIGURE 11** – Fit between working time and family and social commitments, employees (%)



Q18 In general, do your working hours fit in with your family or social commitments outside work very well, well, not very well or not at all well?

EWCS 2005

Supervisory responsibilities cause strain to family and social life. 74% of managers and 80% of professionals who are supervisors have a positive perception of the fit between working hours and family or social commitments, compared to 86% of subordinates in both occupation groups.

Naturally, it is common for employees who have long working hours, such as managers, to say that the hours spent on working do not fit with the commitments outside work. However, the issue cannot be looked at only from the



perspective of an individual, as the balance for families is linked with the composition of the household (e.g. whether there are children and elders in the household and if many adults are working or whether someone works only part-time). It is mostly women who adjust their working time to accommodate care responsibilities for children and elders (Anxo et al., 2006, 75).

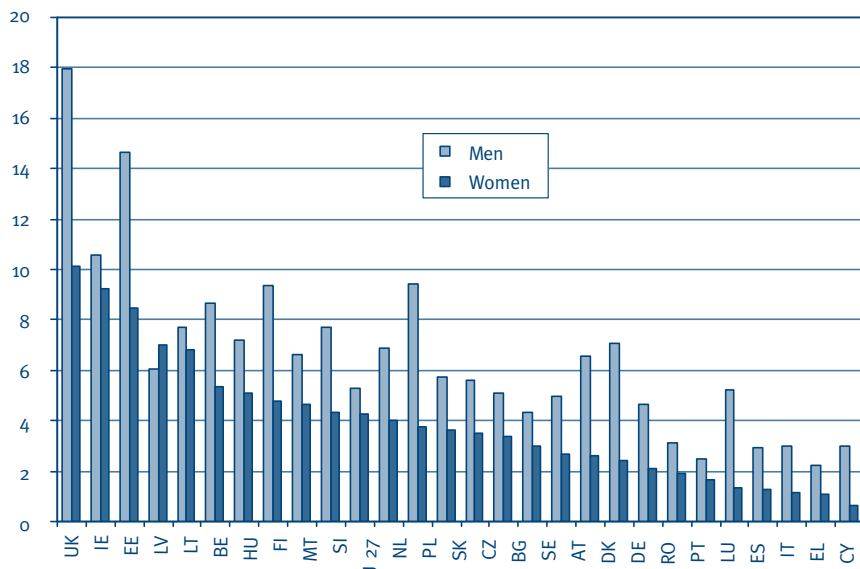
## Gender perspective on managerial employees

In relation to the Lisbon objectives of more and better jobs, female labour participation has increased and the target (60% participation rate) is still within reach, but the gender gaps in the quality of jobs that men and women occupy still remain (European Commission, 2009). In addition to more women than men working part-time, gender segregation of the European labour market is a well-known phenomenon. The segregation is both horizontal and vertical: on the one hand, women and men work in different kinds of jobs and sectors and on the other hand, women are under-represented in higher hierarchical positions and in better-paid jobs (Eurofound, 2007, 11-14.) As we have already seen above, segregation is predominant in managerial jobs, whereas men and women work as professionals almost to the same extent and thus the focus here is on managerial staff.

There are structural barriers in working life (the glass ceiling) which make it difficult for women to attain high-level positions. To name a few, women might be confronted with male-dominated culture, lack of mentoring or stereotypical perceptions (Lyness & Thompson, 2006, 87–88). However, the common metaphor of a glass ceiling ignores the fact that working women are confronted with challenges at every step in their career, not only when taking the step from middle management to seniority (Eagly & Carli, 2007).

In the EU, only 4% of female employees are managers, compared to 7% of male employees. However, there are significant country variations in the proportions, but still in all the countries except in Latvia there are more managers among men than women (see Figure 12). The biggest gender gaps are in Cyprus, Luxembourg, Denmark, the Netherlands, Austria, Germany, Italy and Spain; in these countries women's shares are less than 50% of men's shares of managers' posts.

**FIGURE 12 – ISCO1 by country and by gender, employees (%)**



LFS 3/2005

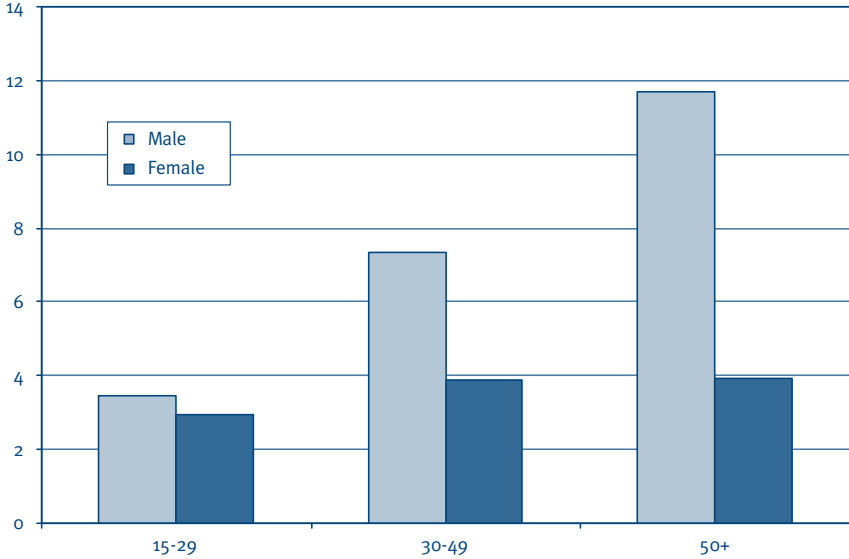
Managerial occupations are clearly male-dominated, with 70% of men against 30% of women in the occupation group in the EU. The sample size of the EWCS does not allow detailed analysis on gender segregation concerning the sectors where male and female managers are working, but there is indirect evidence of this. Namely, women who have supervisory roles (regardless of their occupation, even if this is very common for managers) are concentrated in certain sectors which are traditionally considered as suitable for women (such as caring jobs) and also their subordinates are mostly women (Lyly-Yrjänäinen & Fernández Macías, 2009).

How do men and women become managers? Education is one important factor that facilitates career advancement, as almost half (48%) of managers have high education<sup>7</sup>. However, it usually takes time to attain high education as well as to reach a managerial position and thus it is not surprising that less than 3% of employees aged between 15 and 29 are managers. Within the next cohort (ages 30-49), the share increases more for men than women: 7%

<sup>7</sup> High education = ISCED 5 & 6 (tertiary education)

of men in this age group work as managers, compared to 4% of women. The gender gap increases further for those over the age of 50, and for women the share of managers remains the same as in the previous cohort (see Figure 13).

**FIGURE 13** – ISCO 1 by age group and by gender, employees (%)



EWCS 2005

The traditional division of labour (with women occupying the private and men the public sphere) is clearly reflected in the employment rates, with a higher proportion of men than women in employment. But the careers are also different for working men and women. For example, by the age of 30 to 49, employees have usually finished their education and they are in the middle of their working lives, but this is also a common age to have children to take care of. This relates to the fact that it is largely women who make adjustments between work and family during the life course, and having a family may thus cause penalties for women in career and wage evolution (Anxo et al., 2006, 76). With managers (and supervisors) often working long hours and the work sometimes following them home, this might prevent women with families from aiming at positions in the highest levels of hierarchy.

# Conclusions

One fifth of the employees in Europe belong to the group of professional and managerial staff. There is considerable heterogeneity in the working conditions of managers and professionals, with managers, for example, having longer working hours and experiencing more work intensity compared to professionals. However, for managers and professionals with supervisory responsibilities the working conditions converge. Supervisory responsibilities are related to long working hours, and furthermore, it is common that the frontiers between working time and free time become blurred in both occupations, especially when the person has subordinates.

Work pressure, intensity and long/unsocial working hours have the most negative effect on balancing work and family demands and thus it seems that the rising skill trends associated with ‘knowledge-based’ economies accentuate work-family conflict (Gallie & Russell, 2009). Furthermore, even if workers in highly-skilled jobs are more likely than others to have some say over working time arrangements, the difference is more pronounced for men than for women (Hardarson, 2007, 4). From the point of view of gender equality, work-life balance conflicts might lead to under-representation of women at the highest levels of hierarchy, as women adjust most commonly to the needs of the family at the expense of career advancement, especially if this would involve an increase in working hours.

Compared to other employees, managers and professionals experience higher time pressure, but on the other hand their high level of work autonomy gives them room to cope with the demands. More autonomy combined with low exposure to physical risks (e.g. Eurofound, 2007, 32) relates also to the fact that managers and professionals report fewer work-related health outcomes than employees in other occupations. The generally positive picture of the working conditions of managers and professionals (with these employees often being satisfied with their working conditions) may mean that one aspect of health where managers and professionals are worse off than others, i.e. psychological problems, might get overlooked. These are generally more common for managers and professionals and it is important to take the risk factors related to psychological health effects into consideration when addressing the working conditions of professional and managerial staff.

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## European data related to P&MS

### WOMEN AMONG P&MS IN EUROPE

	Percentage of women and men among:		
	ISCO 1	ISCO 2	P&MS (ISCO 1 & 2)
Percentage of women	34.2	50.8	45.9
Percentage of men	65.8	49.2	54.1

Source EUROCADRES 2009, data EUROSTAT, Labour force survey 2007

	Percentage of women among:		
	ISCO 1	ISCO 2	P&MS (ISCO 1 & 2)
Belgium	36.8	59.4	53.6
Bulgaria	37.9	67.3	60.2
Czech Republic	34.2	54.8	48.0
Denmark	29.8	44.6	40.6
Germany	28.2	41.1	38.5
Estonia	37.4	71.5	56.9
Ireland	43.6	59.0	53.6
Greece	26.4	51.7	48.9
Spain	26.7	55.2	50.7
France	39.8	45.0	43.4
Italy	24.0	50.4	45.4
Cyprus	20.9	53.0	48.2
Latvia	47.5	67.5	61.3
Lithuania	41.8	69.1	61.1
Luxembourg		46.9	41.4

Hungary	40.5	58.5	53.0
Malta	22.1	47.9	39.2
Netherlands	28.5	49.0	43.3
Austria	22.8	48.6	39.4
Poland	40.0	66.5	60.9
Portugal	31.4	58.2	53.5
Romania	33.5	51.1	48.4
Slovenia	37.9	61.4	56.5
Slovakia	33.9	61.6	53.2
Finland	32.6	51.0	45.9
Sweden	35.0	52.8	49.5
United Kingdom	35.2	46.5	40.7
<b>European Union</b>	<b>34.2</b>	<b>50.8</b>	<b>45.9</b>
Croatia	30.0	56.1	53.0
Norway	32.0	47.4	42.3
Turkey	16.0	39.9	32.9

Source EUROCADRES 2009, data EUROSTAT, Labour force survey 2007

## WOMEN IN DECISION-MAKING POSITIONS IN EUROPEAN COMPANIES

<b>Percentage of women within the highest decision-making body in the largest publicly quoted companies</b>	<b>as member</b>	<b>as president</b>
Belgium	7	0
Bulgaria	12	17
Czech Republic	13	15
Denmark	17	0
Germany	13	0
Estonia	8	6
Ireland	7	5

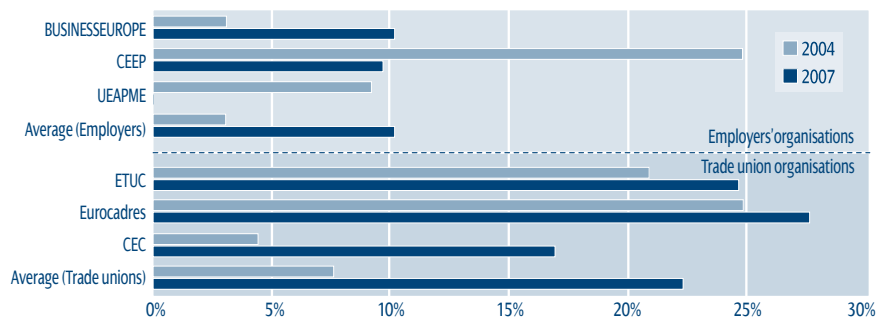
<b>Percentage of women within the highest decision-making body in the largest publicly quoted companies</b>	<b>as member</b>	<b>as president</b>
Greece	6	0
Spain	8	0
France	9	0
Italy	4	5
Cyprus	3	0
Latvia	16	3
Lithuania	16	3
Luxembourg	3	0
Hungary	16	0
Malta	4	6
Netherlands	14	0
Austria	6	0
Poland	10	11
Portugal	3	0
Romania	12	8
Slovenia	18	0
Slovakia	18	10
Finland	20	4
Sweden	27	0
United Kingdom	12	0
<b>European Union</b>	<b>11</b>	<b>3</b>
Croatia	12	5
Norway	41	11
Turkey	9	7

Source EUROCADRES 2009,  
Data European Commission, DG EMPL,  
database on women and men in decision-making, 2009



## WOMEN IN DECISION-MAKING POSITIONS IN EU SOCIAL PARTNERS

### SHARE OF WOMEN MEMBERS OF THE HIGHEST DECISION-MAKING BODIES IN EUROPEAN CROSS-INDUSTRY SOCIAL DIALOGUE, 2004 AND 2007



Source: Report "Women in decision-making 2007" European Commission, DG EMPL, database on women and men in decision-making

## UNEMPLOYMENT RATES BY LEVEL OF EDUCATION IN THE EUROPEAN UNION

ISCED International Standard Classification of Education	Unemployment rate in the EU (25-64 years)		
	Female	Male	Total
<b>Levels 0-2:</b> Pre-primary, primary and lower secondary education	10.7%	8.2%	9.2%
<b>Levels 3-4:</b> Upper secondary and post-sec- ondary non-tertiary education	6.8%	5.4%	6.0%
<b>Levels 5-6:</b> Tertiary education	4.0%	3.2%	3.6%
<b>All levels</b>	6.9%	5.5%	6.1%

Source EUROCADERES 2009, data EUROSTAT, Labour force survey 2007

## EMPLOYMENT RATES BY LEVEL OF EDUCATION IN THE EUROPEAN UNION

ISCED International Standard Classification of Education	Employment rate in the EU (25-64 years)		
	Female	Male	Total
<b>Levels 0-2:</b> Pre-primary, primary and lower secondary education	45.3%	70.4%	<b>57.2%</b>
<b>Levels 3-4:</b> Upper secondary and post- secondary non-tertiary education	67.7%	81.2%	<b>74.6%</b>
<b>Levels 5-6:</b> Tertiary education	81.9%	88.8%	<b>85.3%</b>
<b>All levels</b>	<b>63.6%</b>	<b>79.9%</b>	<b>71.7%</b>

Source *EUROCADRES* 2009, data EUROSTAT, Labour force survey 2007

## EMPLOYMENT RATES BY AGE AND LEVEL OF EDUCATION IN THE EUROPEAN UNION (%)

ISCED International Standard Classification of Education	Employment rate in the EU							
	25-29 years	30-34 years	35-39 years	40-44 years	45-49 years	50-54 years	55-59 years	25-64 years
<b>Levels 0-2:</b> Pre-primary, primary and lower secondary education	63.0	65.8	68.6	69.8	68.4	62.7	45.9	<b>57.2</b>
<b>Levels 3-4:</b> Upper secondary and post-second- ary non-tertiary education	75.4	80.9	83.4	84.3	82.6	77.0	59.5	<b>74.6</b>
<b>Levels 5-6:</b> Tertiary education	83.8	88.9	90.3	91.4	91.8	88.9	77.0	<b>85.3</b>
<b>All levels</b>	<b>75.3</b>	<b>80.0</b>	<b>81.6</b>	<b>82.1</b>	<b>80.4</b>	<b>74.7</b>	<b>57.5</b>	<b>71.7</b>

Source EUROCADRES 2009, data EUROSTAT, Labour force survey 2007

## TEMPORARY EMPLOYEES IN 2000 AND IN 2007 IN THE EUROPEAN UNION

Thousand employees	ISCO 1	ISCO 2	P&MS (ISCO 1 & 2)	Total employees
<b>2000</b>	260.7	2177.6	2438.3	18143.6
<b>2007</b>	296.5	2592.4	2888.9	21736.8
<b>increase</b>	<b>13.7%</b>	<b>19.0%</b>	<b>18.5%</b>	<b>19.8%</b>

Source EUROCADRES 2009, data EUROSTAT, Labour force survey 2000 and 2007 in EU 15 countries

## USUAL WEEKLY WORKING HOURS OF MANAGERS IN EUROPE

<i>Full-time employees</i>	Male			Female			Male and female		
	ISCO 1	All employees	<i>difference</i>	ISCO 1	All employees	<i>difference</i>	ISCO 1	All employees	<i>difference</i>
Belgium	43.9	39.8	4.1	41.2	37.9	3.3	43.0	39.2	3.8
Bulgaria		41.8			41.1			41.5	
Czech Republic	45.8	42.1	3.7	42.5	40.5	2.0	44.7	41.4	3.3
Denmark	45.6	40.3	5.3	41.5	38.2	3.3	44.4	39.4	5
Germany	44.2	40.7	3.5	42.2	39.6	2.6	43.7	40.3	3.4
Estonia	41.6	41.6	0	40.9	40.3	0.6	41.3	40.9	0.4
Ireland	42.5	40.2	2.3	39.0	37.0	2.0	41.0	38.9	2.1
Greece	42.7	41.5	1.2	40.7	39.3	1.4	42.1	40.6	1.5
Spain	44.5	41.5	3.0	42.3	39.6	2.7	43.9	40.8	3.1
France	46.8	40.0	6.8	43.4	38.1	5.3	45.5	39.2	6.3
Italy	44.9	40.5	4.4	41.9	36.9	5.0	44.2	39.2	5.0
Cyprus	43.3	40.4	2.9	40.6	39.6	1.0	42.7	40.1	2.6
Latvia		42.4			40.9			41.7	
Lithuania	40.4	40.3	0.1	39.9	39.4	0.5	40.2	39.8	0.4
Luxembourg	40.0	39.9	0.1		39.8		40.0	39.9	0.1
Hungary	41.2	41.1	0.1	40.4	40.1	0.3	40.9	40.7	0.2
Malta	42.7	41.1	1.6	39.9	38.8	1.1	42.1	40.4	1.7
Netherlands	39.7	39.1	0.6	38.4	38.1	0.3	39.4	38.9	0.5
Austria	48.3	43.0	5.3	45.2	41.1	4.1	47.7	42.4	5.3
Poland	43.4	42.7	0.7	41.3	39.5	1.8	42.5	41.3	1.2
Portugal	45.1	40.9	4.2	42.0	39.3	2.7	44.1	40.2	3.9
Romania	42.5	41.6	0.9	41.3	41.0	0.3	42.1	41.3	0.8
Slovenia	44.4	41.9	2.5	43.2	40.9	2.3	43.9	41.4	2.5
Slovakia	42.3	41.4	0.9	40.9	40.2	0.7	41.8	40.9	0.9

<i>Full-time employees</i>	Male			Female			Male and female		
	ISCO 1	All employees	<i>difference</i>	ISCO 1	All employees	<i>difference</i>	ISCO 1	All employees	<i>difference</i>
Finland	42.3	40.1	2.2	40.3	38.2	2.1	41.6	39.2	2.4
Sweden	41.3	39.9	1.4	40.2	39.8	0.4	41.0	39.9	1.1
United Kingdom	46.6	44.0	2.6	42.7	40.1	2.6	45.3	42.5	2.8
<b>European Union</b>	<b>44.9</b>	41.3	3.6	<b>42.1</b>	39.3	2.8	<b>44.1</b>	40.5	3.6
Croatia	42.0	41.9	0.1	41.6	40.8	0.8	41.9	41.4	0.5
Norway	40.2	39.0	1.2	38.6	38.0	0.6	39.7	38.6	1.1
Turkey	49.5	53.6	-4.1	46.8	48.8	-2.0	49.1	52.6	-3.5

Source *EUROCADRES* 2009, data EUROSTAT, Labour force survey 2007



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