



CEC conference

## Enhancing Managers Mobility and Employability – Towards a Genuine European Labour Market –

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## Welcome Address

### Mr Paul Jankowitsch, President of WdF

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Ladies and Gentlemen,

Let me welcome you in this House of Industry in the heart of the Vienna city centre.

As President of the Economic Forum of Executives, it is a real pleasure for me to be able to welcome the CEC conference at a “historical time” in the history of Austria.

Mobility is a fascinating and essential topic for the future. Our profession, our situation as executives has always been linked to mobility and employability. Anyone who was once a manager has undoubtedly experienced both.

Personally I lived and worked in several countries and it is what I always wanted to do. This is an incredible experience. One of the consequences is that you can make the most of the opportunities offered to you by mobility, mainly in Europe.

A lot has already been written on whether the Chinese, Japanese, American or even Russian model is the best one. The future will bring the answer.

I am convinced that the social and economic model of Europe has great assets and can substantially contribute to the development and to competition between regions.

I believe that managing diversity and complexity and making the most of strengths and opportunities provided to us in Europe will allow us – if we can make sure this model can be sustainable – to work to highly positive development.

During the conference, we will have the opportunity to get to know interesting initiatives and aspects.

I wish you a fruitful conference and a beautiful day.

In the EU, about 2 to 3 million jobs are unfulfilled while all over the EU, the unemployment rate is still close to 10 per cent and much higher for young people. It can be expected that this figure of 2 to 3 million jobs will increase sharply already this year and certainly in the years to come. It is encouraging to cite – as we did in the Eurobarometer Survey published on the occasion of the Launch Conference in February - that about 60 per cent of the unemployed people who are willing to move to another country actually find a job within a year. Whereas only 35 per cent of the people who are not willing to consider such international mobility and stay in their own country, manage to find a job. It is a very substantial difference which shows that the willingness to be mobile can help people find a job.

Roughly two per cent of European citizens live in a country other than their home; in comparison in the United States of America about 32 per cent of citizens live in another state than their state of origin. I would like to argue immediately that this is a rather superficial comparison not only because the United States of America is a federal state with one language, for example, and a common culture, but also because it is measured in a different way. If we consider people moving within the European Union from regions to another region the figure raises to 20 per cent.

However, unmistakably, mobility in the European Union is clearly lower than it is in the United States of America.

### **Why do People Move?**

The first place is not for career reasons or for jobs. The main reason is family reasons or “romantic” reasons and only in second position- about a quarter of the people - move for better quality of life – that is very often a translation of finding a better job in another country. Mobility is very heterogeneous and between the different countries the patterns of mobility are very different and the inclination to be mobile is also very heterogeneous.

Just to give you one example: two years ago, we received in the European Union 10 new Member States and there has been a lot of discussion about free movement of workers – also in Austria. The propensity to be mobile is in reality very different from one new Member State to another. The Baltic countries, Poland, there are substantial groups of people who have moved and there is still further potential for mobility. On the other hand, in countries like Slovenia, the Czech Republic, or Malta, the inclination to be mobile is very low. The citizens are staying in their country of origin.

We also see that many people move at a certain point of their life time to another country, not only for professional reasons but to retire. Spain is one of those countries, but Austrians may go to Italy, like Germans do, and this is also becoming increasingly important. In countries like the United Kingdom, where also there is a substantial movement towards the country, we see that most of the people move for professional reasons.

### **More Data About Mobility**

*Pioneer* is an international research network which was funded by the European Commission within the framework of its Fifth Framework Programme for Research. In this Pioneer Project, for the first time, there was a systematic study among people who have moved to another country in the five largest Member States, about 5,000 European citizens were interviewed individually. This survey shows that the mobility has changed, the nature of mobility. For instance, the *higher skilled workers are twice as likely to be mobile than lower skilled workers*. There are substantial differences among the countries. In some countries, you see more lower skilled workers arriving, but all over Europe, higher skilled workers are more mobile. I therefore also dare to say that the audience here today represents a professional group which is among the most mobile workers. It is an issue that certainly deserves your attention.

With regard to this, I tried to find more precise data, statistical data, about mobility of managerial staff. Unfortunately I was not able to find them at an aggregate level at EU level. We have a number of surveys: there was a survey in 2002 carried out by Price Waterhouse Coopers among companies which surveyed them about their interest in recruiting staff in other countries and also about the practices they have in assignments. In that survey it became clear that also companies foresee a further growth of international mobility of their managerial staff. But with very big geographic differences, and now more mobility goes to the new growth countries in Asia, for example. We are talking mainly today about mobility within the European Economic Area, but probably for you and your companies, mobility outside the EU is as least as important.

even easier when you get back to the site to remember your preferences, and you will immediately go to the correct settings.

We have now around one million job vacancies for all types of work on the portal coming from the network of European public employment services. It is a major achievement that we have been able to bring all those vacancies together at one platform and that a number of years ago, many people in the European Union believed it would not be possible to achieve. Many of the vacancies are coming from Germany, there is also a large number coming from the United Kingdom but in reality, they come from all countries of Europe. The numbers are differing, fluctuating strongly, but there is an upward tendency and I am confident that the figure will grow substantially. Job seekers can also find information about living and working conditions in another country.

Since we launched the European Year in February, we have seen a substantial rise in the number of visitors to our website, and we are now also reaching every month closes to one million unique visitors.

## **Opportunities and Challenges**

Of course, mobility can lead to better employability of workers and help people to develop their skills, but one has to be aware at the same time of the possible social expenses and for regions – or countries, in particular, where there is a lot of people leaving – there are also the so-called dangers of *brain drain*, young people leaving out, and this can trigger a negative development in such regions. Therefore, we are at the European level also counter-balancing strong mobility in regions with structural instruments like the *European Regional Development Fund* to ensure that mobility does not lead to one-sided developments in Europe.

Therefore, although the Commission is very positive about mobility, we do not see it as a golden means to resolve all mobility issues. We have a growing demographic problem in the European Union and we will not solve it by more internal mobility in the EU. Mobility may help but other things are needed as well. I mentioned the need to balance flexibility and security, but also *stability in jobs* is an important consideration. For people, at the moment, who are mobile it is also important that this mobility is in a *fair way*. Therefore, we have included in the EURES guidelines for 2007, we have included a new guideline which underlines the importance that international placements are carried out in accordance with *international labour standards*. In particular, we use the *EURES network* also to improve the *transparency in information provision for placements* for people going into another country. The further steps that we will be taking in EURES in the cooperation at European level is that we will go beyond the stage of removing obstacles to mobility. We would like to promote inside Europe more welcoming and embracing attitudes to people who are mobile. It is important that, when they go to another country, our European citizens feel welcome, that there is an infrastructure that helps people. We have a human network, EURES is also a human network of about *700 qualified EURES advisers*, and it is one of those tools to ensure that people who have all kinds of questions that they can turn to a person. It is not only the EURES portal that they can turn to. At the same time, and that is the perspective from the European Commission, we are coupling our efforts concerning mobility also with other strategies, in particular, strategy dealing with economic migration.

To sum up, to succeed mobility needs to be prepared, it needs to be well assisted, also to ensure that it is carried out in a *fair way*. It needs increasingly also to provide for the element of return. Most of the mobile workers will return to their country of origin. There must be a structure to make that possible. It must be integrated in the individual career development patterns. I would like to encourage you, finally, to have a look at this new website [www.eures.europa.eu](http://www.eures.europa.eu). I hope my presentation has managed to raise your interest in this tool.

I would like to wish you a very good conference today and I wish that CEC is successful in its endeavours to support mobility of its membership and also that it will continue to be an active partner during the rest of the European Mobility Year. Thank you very much for your attention!

## **Reactions and Answers**

### **Mr Georges Liarokapis, President of CEC**

Thank you very much, Mr Ten Geuzendam, for your very clear and insightful words. I would like to use the opportunity of your presence to ask you what the initiatives of the European Commission are when it comes to another topic related to mobility, i.e. the ageing of the population?



circulation of the workforce within the EU”, before the Euro and peace, why are there so few people actually using that freedom to move?

Here again differences are significant: the Swedes (79%) and the Danes (72%) show a much bigger inclination to professional mobility than e.g. the Belgians or the Greeks (about 30%).

To my mind, the same opinion poll should be organised in Central and Eastern Europe. So ask the question to well-trained Romanian, Bulgarian or Croatian executives aged 30-40. How is mobility articulated in these countries? In Austria, the trend is obvious. It is not the Polish plumbers that will steal our jobs; it is tomorrow’s executives and managers!

Today, we are talking about the future prospects of the market. I would like to quote two articles published in the Austrian press this week:

### **1. German Unemployed People in India**

The trend is reversed: European unemployed people go work in Asia.

### **2. Indian and Chinese Engineers Ready to Act**

In Germany, 40,000 engineers are trained per annum. In India, 220,000 and in China 400,000! Every year! What do you think they will do? Stay in India or in China?

The world’s centre of gravity is shifting. We are at a turning point. We are looking for answers but we cannot even ask the right question.

Allow me to jump forward in time to – let’s say – 2026. It seems quite far doesn’t it? I have a one-year old son; he will just be starting his higher education in 2026. The percentage of self-employed workers in industrialised countries has more than doubled. No less than 20% of all workers work in one-person companies.

Some 40% of all working people will have an employment contract either focused on a particular production or based on a fixed term. Many contracts will actually combine both aspects: outsourcing, hiring of self-employed people, etc. Only the remaining 40% will still enjoy regulated working times and open-ended contracts like the ones we know today.

Employment contracts will be negotiated individually. Template contracts will be gone or almost. Time accounts will be transferable and the time worked will be added on them to calculate pensions.

But there may be a nicer prospect, i.e. the share of women in middle-management and top executive positions will increase to some 40%.

With this example I wanted to make us depart from our usual viewpoint and have a more open attitude in front of change.

We support many businesses when they hire abroad; each country is different but mobility – physically or at least intellectually – is a central topic of each hiring operation. Recently, I spoke to a CEO about the problems of his company. He said that all in all everything could be managed, i.e. the cost of oil, competition from the US, the Chinese copying everything, pressure on costs, etc. The only true problem is – he said – the mentality of workers. What most of them are lacking is courage.

Any change asks for courage. And mobility is change.

Mobility can improve the professional perspectives substantially for all workers, particularly executives: 60% of those who looked for work outside their region of origin find a job within the year. It is not the case for those 35% who stayed in their home countries. More importantly those people who change jobs must acquire new skills. Additional training and the acquisition of other skills create new job opportunities. The trend is still timid but those companies active internationally also hire their executives internationally.

Setting aside the 5% of European companies best rated on the stock exchange. Many have a multicultural image but not all of them: e.g. Deutschland AG, with all its specialities in the board of directors and in the surveillance board, could not succeed because executive positions were taken by Germans only. The company wanted to remain German.

Tomorrow's executive will be geographically and intellectually mobile.

We are here in a historical place. In less than one hour of flight, you can be in Bratislava, Budapest, Prague, Maribor, Zagreb, Ljubljana; many cities located less than 350 km from Vienna. Regional mobility was the essential condition for the success of Austrians in Central and Eastern Europe. Today, business is doing great. It's hitting the roof actually. All it took was to take the first step.

I wish you a very fruitful conference; may it provide you with the information that will guide you in the right direction.

*obstacles to mobility of students.* At the time there were 4 countries involved, now there are 45 signatory countries, who officially declared their intention to implement the Bologna process in their countries. The follow-up process, as already mentioned, monitors the implementation of the process in the participating countries. Every two years we do a stock-taking exercise: the ministers meet and make an inventory of the progress achieved in the various countries, reports indicating the trends are published. A *three-cycle system, bachelor, master and doctor level*, has also been introduced and has been realised to a great extent. Mobility is the corner stone of Bologna because students want to be mobile, like it was in the Middle Ages but it seems to be much more difficult now than it was then.

Another focus is the *employability of graduates*, especially the graduates at a bachelor level at universities because, and this is a new trend compared to the past, bachelors should be ready in any discipline for the labour market. This can be very difficult, especially in purely academic disciplines.

The six Bologna action lines are: a *transparent and easily readable degree system*, a *system of credits*, a *three-cycle system*, *promotion of mobility*, a *European cooperation in quality assurance* and a *European dimension higher education*. If those objectives are achieved, the students will be able to move freely across Europe because every university will understand what the students have been taught and at what level in their sending university.

Mobility of students and staff in all participating countries remains one of the key objectives in the Bologna process. We shall intensify our efforts to lift the obstacles to mobility, by *facilitating the delivery of visa and work permits* and by encouraging participation in mobility programmes. We urge institutions and students to make full use of mobility programmes, advocating *full recognition of study periods abroad* within such programmes. It does not just concern the minister of higher education because to facilitate delivery of visa and work permits, other authorities, other ministers have to intervene and that makes it a difficult process.

Erasmus is a well known European higher education programme. It started in 1987 and it was transformed into Socrates – which is a broader programme - in 1998. The objective to have 1 million students was achieved in 2003. There is another target to have 4 million mobile students by 2009. It will most probably easily be achieved, in spite of the enormous difficulty for financing the programme, because the budget for the higher education programmes has been severely cut by European Parliament. We have some problems in attaining these objectives with a poor level of students' grants at this moment.

So it started with Erasmus, the academic student mobility. Then the professional higher education took part in the programme and this is how the professional experience came in and Leonardo da Vinci programme for mobility involving work placements was launched, as an alternative for study periods. Gradually, the two were merging and a need was felt for one comprehensive programme. The intention is to bring the outside world in, through *partnerships of enterprise and universities*, because both universities and university higher education institutions and enterprises can benefit from a cooperation which would stimulate innovation and transfer of expertise. The origin lies in linking Bologna and Lisbon strategies. It wants to *rethink the role of education in the whole civil society*. The purpose is to increase quality but also quantity of cooperation between higher education and enterprises.

A new programme, the *integrated lifelong learning programme*, will also start in January 2007 and run over three years.

Only about 2-3% of the students in higher education overall Europe are mobile. The target was originally 10% but it has never been achieved because of the many obstacles, financial and others. As an alternative for those who cannot be mobile, there is the *virtual mobility*. It relies heavily on communication technology so that the students can have the same benefits as they would have with physical mobility. It is called internationalisation at home and it allows virtual student exchanges, virtual joint course development, virtual delivery of courses and even virtual internships and work placements.

## **Students' Employability**

There is a need for new trainings, realistic study periods instead of having students studying for 6-7 years and even then, not being employable on the labour market. Those who are brilliant can continue and reach the higher levels. At all stages students must be employable. Civil society is involved and not just the industry and enterprises. There is a continuous and accelerated transfer of knowledge based on the structured exchange of information, experience and demand. The ultimate purpose is to valorise the mobility, to make it more beneficial for the whole civil society through enterprise and university



implications on how organisations need to design a sort of overall package to motivate individuals they want to send abroad. Especially for those organisations, of course, who find it hard these days. The organisations that have a plenitude of people may be less worried.

And then, an emerging theme is the work-life-balance. Individuals pointed out that stress can be enormous in a foreign location and they would rather have a better work-life-balance than they have.

This is one part around what do people and organisations feel. How important are these factors in the decision to go abroad? We also looked at what happens when they come back or move on to the next location. We found that there is a bit of a gap between theory and practice. The organisation said to us – 85% – that it is very important to plan this really well. While only 20% of organisations say they are effective. They are realising that there is a problem. It is quite a complex problem. But they do not feel they tackle it effectively. If we look at what happens to individuals – and quite a lot of individuals leave – about 25%-33% of people in a typical organisation leave after their assignment – 80% believe that they are more marketable to competitors. 74% talk about their remuneration, the payment issue again. Of course, it is difficult for people who have a better salary normally when they are abroad to come back and become the "normal little fish in a big pond". They want to be compensated for it.

However, also, gain of external networks and loss of internal networks are quite important reasons. It really depends on how the organisations function and we did two case studies. For one, which was a very informal, fast-moving consumer goods organisation, networks was everything. If you lost your internal networks, by being distant, that was a huge problem. About two thirds say reduced responsibilities are a key issue for them to leave now. Then, what do organisations do? Only 22% in our sample said that they would do something six months before return, to try to get people to a new job. We found in different other studies that it is important to have an assignment mentor, actually, somebody in charge of you, or some processes in place that help you be on the radar screen, as HSBC called it. In this sample, 70% had no assignment mentor and found that they would like one, normally. So, again, a little area of potential problem.

We also think in our Centre that what is technically called the expatriation cycle is not enough. We need to look into the long term, what happens to careers of people. For that we use a framework which is called the career capital framework. It means basically that what helps you in your career is:

- know-how – that's skills, abilities, insights you have;
- know-why – that's the motivation and inner drives that make you get up in the morning and perform in one sense; and
- know-whom – these are the networks - being international networks, local networks, host networks - these are important for career development.

We wanted to know what mobility brings to individuals on these things. A whopping 98% of people say: " It has built my capability" in terms of skills, abilities, and so on. 90% also build networks and will distinguish between different sorts of networks, and 92% said actually being abroad increased their motivation. Then we asked, of course, what happens in the next job? In the next job, basically less than 50% can use new capabilities or their new networks. That's probably too little for organisations. The 7% that feel motivated is an extremely low number which is worrying – should be worrying – to organisations.

Concerning the impact on careers in a formal sense, a third of people were promoted on return, 58% stayed on the same level, and 9% got demoted. That's interesting in the sense of demotion. The question is raised: "Is going abroad really beneficial for my career?" Obviously for some it does not seem to be that beneficial. But, for most it is! And, against the available research – when we look at the data more closely, people who returned early actually had a higher propensity to be promoted. So far research says if you return early, you incur more cost and it's a failure, but it does not seem to borne out by the sample. Because our environment in global organisations moves very quickly, they may find a new job for you and say: "you have been abroad two years rather than three, come back and fill that job".

In terms of summary, what did we learn in one sense is: *organisations should integrate assignments into general career planning*. It is not you go abroad and you are off the radar screen, out of sight, out of mind. That should not be the case! – How do you do it? Well, you can have a sort of formal mechanisms in organisations, but you can also use the role of mentoring, coaching and other things.

reason. What we try to do as Human Resource managers is to combine the skills and development aspects of international assignments, especially because it makes people grow and develops the business of the company in other countries.

### **Self-Responsibility is Getting Increasingly Important**

Worldwide Philips has approximately 1% of its population in international work assignments or in international work. That is the standard in big international companies and the trend within Philips is that we are increasingly looking into a very open internal labour market within Philips and people apply in a very self-confident way for international positions. We support the self-responsibility of people. We do not send people at random onto international assignments. People agree with Philips to do an international assignment together. Self-responsibility and transparency of the labour market are very important. Therefore, Philips has developed a worldwide career centre that offers managers with a global labour market within Philips and a platform of personal development. Our internal open job market shows all global vacancies and gives internal and external candidates the opportunity not only to apply for a job in their own country, but also in all other countries. The decision to send somebody as an expatriate to these countries or just to an external job assignment in another country, will be based on the business case. Everybody knows that expatriation is something quite expensive; it is on average two to three times more expensive than choosing local candidates for a position. Therefore the business case for an expatriation needs to be pretty good and the business case is always based on these three factors: governance or control, skills and personal development.

### **Mobility is More Mental or Intellectual Issues than of Geographical or Cultural Issues**

In Philips we also see a growing tendency within Europe that people applying for positions in other countries get supported by the company in their transfer but do not get a fully-fledged expatriation assignment. They get a local contract in another country and decide to take it or not. Inside Europe, this tendency is growing because mobility is – to my mind – less a question of geographical issues, of mental issues, of cultural issues, of intellectual mobility than of geographical mobility. In Philips, we consider that Europe is growing together significantly thus the tendency is that people get mobile without having big frameworks to back them up.

### **A Fair Mobility Policy: Open Labour Market and Code of Conduct**

The pre-condition for a fair mobility policy is to have an open labour market within the company and a code of conduct. The important notions are: rules and respect, openness, agreement with the boss, agreement within the company, show all opportunities or vacancies and give a formal chance to apply for jobs. However, it should not develop too much competition amongst people; it is about who is the best person at the best place, not who is the best person full stop. Qualification is one of the most important decisions. Obstacles to this kind of transfers are big today because there is a tendency of management to keep their people and not to support them into international assignments. To my mind, the biggest obstacle to mobility is not linked to people, geographical issues or cultural issues but to the willingness and openness of management to support people to go into their international assignments.

### **Competency Frameworks and Global Training Programmes**

I said, qualification and personal skills are one of the most important drivers for international assignments, but also for success on the job. Philips has developed a very strong feedback approach for managers because we think that personal development is the only real guarantee for long-term development. We train our managers according to two kinds of feedback. One is the target: do we meet the target and are we able to meet the target? The other one is competences and values. We have developed competency frameworks for different kinds of functions and levels of functions and we develop our management according to these competency frameworks. In order to make that development possible, we offer global training programmes. We decide on the content of these training programmes globally, and develop them globally with global partners and leaders in different disciplines, because we think that the most important issue is that people have skills that make them valuable for assignments in the country or in other countries. One of the basic principles in Philips is this global framework of education.

### **Returning from an International Assignment**

## Mr Jacques Méric, Corporate Remuneration and Job Evaluation Advisor, Total

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I would like to share with you Total's experience as a large global group promoting mobility and to explain to you why and how we evaluate jobs. Job evaluation is a long technical process. I will focus my comments on the impact of job evaluation on a mobility policy.

### **The Context of Total's Organisation**

Today, Total is a large company ranking amongst the top 4 of international oil majors. Worldwide, the group worldwide is represented by nearly 113,000 employees in more than 130 countries. These figures are the result of mergers, which means that the number of employees jumped from 57,000 employees to nearly 113,000 today. Managerial positions, the so-called 'cadre' positions in France, increased from 9,500 to 27,000 today. I am mentioning the number of "cadres" or managerial positions because this is the line of business in which job evaluation has the biggest impact. In summary, today, Total is a large company, resulting from a series mergers, which has a worldwide presence and a wide range of activities. Several corporate cultures inherited from its past, and several different activities may create a bit of confusion for staff and could thus create a barrier to mobility.

### **New Expectations of Employees Towards Working Life**

This is the reason why job evaluation and the encouragement of mobility have been reinforced. There are also other impacts or expectations coming from outside Total. The world is changing, there are social challenges, companies are now the reflection of society and everything needs to become more flexible, more transparent. People want to have a fulfilling life – work included – and they tend to include their working life in their personal and social life. This also has an influence on career diversity. People want to have a fruitful working life and to feel interest in their job, even more than before, and if they do not get this interest at work, they change jobs or companies. This is the new behaviour of the young generation. They do not accept spending their time on jobs they are not interested in. This new attitude has an influence on the HR policy, which is now based upon such new trends. Having good employees is of course something that HR managers are always looking for. But it is not enough. Companies need to have 'happy and good employees'. A happy employee is more efficient and more committed to the company's activities. But I think a good corporate organisation is not enough either. A good corporate organisation now needs to be flexible, to be versatile and to offer opportunities. This is also a new trend that the HR department in many companies – especially at Total – has to deal with.

Mobility is one of the answers. To get a good working life sometimes means having to change in order to reinforce motivation at work. It also calls for an improvement of people's skills and knowledge.

### **Job Evaluation: a Tool to Promote and Manage Mobility**

How is Total organised to promote mobility?

There are two different tools in its HR policy.

The first is career management, which takes care of people's mobility. Last year, 24% of all employees have changed positions, which means every 4th employee.

The second tool is *job evaluation*. Around the world, there are 27,000 managerial positions that need to be assessed. That's a lot of people. What is the interest of grading jobs? Actually, no department in our company is working exactly as it has been designed to work. The organisation of the company has been defined and each employee has an "expected role" in it. This role is explained, communicated to him/her. Then the employee also gets a "perceived role", which is the way he/she understands his/her job. A job description will help reduce the gap between the expected role and the perceived role. Then there is another step called the "retained role", which is the role actually played by the employee with his/her own motivation and competency, the role that makes him/her efficient in the corporate organisation. This is the result of the corporate organisation. The gap between expected role and retained role helps measure the efficiency of management and its performance.

How can we assess the gap between the way an organisation has been defined and the way it is working in reality? Job evaluation is a tool, which helps understand the gap. When carrying out a job evaluation, the most important thing to do is to consider neither the jobholder, nor his/her performance

move will be able to fill the position and respond to the job description. Requirements are clearly mentioned.

Having the elements of what is necessary to hold the job is also helpful when it comes to training. If someone plans to hold a position within the next two years, but has a lack of knowledge, training can prepare him/her to take on the position. It can be language training, or training for technical skills. It is a way of having a good approach to look for the right people at the right place and this has been mentioned in the Total 'agreement on equal opportunities' signed by CEC.

As a conclusion I would like to say that job evaluation is a process, almost like a road map. We are all using road maps when we are driving. We expect a road map to be clear and precise. When travelling in an unknown country especially, you are using a map but you are also free to organise your trip the way you want. But the more precise the map is, the more adventurous you will be and the more often you will move.

The qualification structure has three main components: the qualification data with name, level, general competence and context, the profile of competence with 1-6 units of competence, and the training module is associated to it with one unit of competence. We have five main stages in the method:

- The information search and the creation of the working group with the participation of experts from production and from the training system,
- The analysis of competence through the opinion and the work of terminology experts,
- The definition of ancillary training based on learning outcomes like the European Qualifications Framework which is also based on learning outcomes,
- The external contrast of qualifications with the national, regional and sectoral levels due to the intervention of relevant stakeholders, and
- The approval of qualifications, which is the responsibility of the General Counsel of the Spanish Government.

### **A Brief Comparison between the European Qualification Framework and the Spanish Qualification Framework**

The European Qualification Framework has a common reference system with eight levels. In Spain, we have a national catalogue and qualifications distributed into five levels. In the European qualification framework the common principle is to validate non-formal and informal learning. In the Spanish Act, we also have the recognition and assessment of vocational competences related to the experience acquired through non-formal and informal learning. In Europe the system to be transposed is in the process of development as we speak. In Spain we have the module catalogue linked to the national catalogue of vocational qualifications. On the European side there are common European principles for basic skills and in Spain we have – in the Act – an article on quality and evaluation of the national system of qualification and vocational and educational training.

The process – on the European side – ended with the transparency of qualifications and competences, through the EUROPASS programme. In Spain we have the information and vocational guidance system.

Comparing the five levels of the Spanish framework, we need to consider the link they have to the European qualification framework levels.

The European framework does not have similar levels as the Spanish system. For example, our level 2 is between the third and the fourth levels of the European Qualification Framework, but usually it is possible to establish a comparison between the Spanish qualification framework and the European framework.

The future aim is to complete the national catalogue of vocational qualifications in 2007. We currently have 162 qualifications approved and for 2007 we will probably arrive at 320 qualifications for the three levels one, two and three. Working on vocational training offers, both initial and on going, representatives from education and business are beginning to recognise, assess and validated the formal and informal learning path and acquired experience. A solid cooperation and network developed with institutions and organizations working in international fields, and cooperating in the construction of the European qualification framework.

### **Mr Alvaro Hernando de Larramendi, Lawyer**

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I am here on behalf of the Spanish Confederacion de Cuadros y Profesionales – the Spanish Confederation of managerial staff, professionals and executives – and following the intervention of Mr Hernandez Gordillo I will now make the link between managerial staff and qualifications. Within our organisation, we have been dealing with matters that are very important for managers. Our matters are adaptability, employability and mobility.

In the Spanish organisation, we understand that adaptability is the foundation of employability and mobility. It means that a manager has to maintain his/her competences and skills up to date. If he or

- Thirdly, qualifications would need to be associated to some basic, essential and minimum training standards.
- Fourthly, if the manager can effectively prove that those minimum formative standards are acknowledged and personally interiorised by the person, he/she has acquired the qualification. *The acquired qualification will be officially recognised or certified as the manager's professional qualification.* That means that an individual entitled to this new qualification would be able to move from one company to another, from one country to another, without any obstacle of proving or showing his/her competencies or skills as a manager, professional or executive.

This is the work that the Confederacion de Cuadros y Profesionales (CCP) and the official Instituto Nacional de Cualificaciones are developing together in Spain. This new managerial staff professional qualification will be included in the national catalogue of professional qualifications and will be published in the Official Journal of Spain.

This work has been developed under the provisions of the *European framework of actions for Lifelong Learning development of competencies and qualifications* adopted by the European social partners on 28 February 2002 – among which CEC. The Spanish Confederation and INCUAL have signed a cooperation framework agreement under which we are developing new qualifications for managers. We are developing it under the four priorities of the European framework of actions mentioned previously. This new managerial staff professional qualification that we are creating is being developed under the first and second priorities of the European framework of actions that is specifically mentioned in the agreement, i.e. the identification and anticipation of competencies and qualifications needs, and the recognition and validation of competencies and qualifications.

We hope that this new skeleton of qualifications for managerial staff in Spain will soon be official, possibly by the end of the year. This work is very difficult and very technical. We already have with INCUAL - which is represented by Mr Gordillo - a very skilled, a highly qualified group in Spain that is identifying all the different competencies that form the qualification of a manager. These are minimum basic competencies that any manager is supposed to have, that any manager needs to develop his/her occupation. We are trying to define them and to pool them together in a specific package, and with this package we are trying to develop a specific training that has to be achieved to make sure and to show that the person has all the competencies already fulfilled. We are working on it. For the moment, job descriptions are being developed and we hope that by the end of the year, we will have a final solution. This final solution will be checked by other units, by other agents, to make sure that it is indeed a full qualification for managers. After that, we hope that the Spanish Government will approve it and will decide to publish this new qualification for managers. We are convinced that it will be a very useful tool to remove one of the heaviest obstacles to mobility for managerial staff, professionals and executives, and we hope that our project will also be used elsewhere in Europe.

We offer it to all of you as a reference or as an experience that you may use back home – if you so wish.

## **'Mobility in the Frame of the Demographic Development in Germany'**

### **M. Stephan Gilow, Barrister**

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Good morning Ladies and Gentlemen. My speech will focus on mobility in the framework of Germany's demographic development.

Here too, mobility means less geographical mobility than a certain new type of flexibility, an intellectual mobility, the kind of mobility that will now be asked by both employers and workers due to the evolution of demographics.

I will first briefly sketch out the demographic evolution of Germany and its consequences on the labour market; then I will talk about the cooperation between the association I work for – the Federation of Executives in the Chemical Industry in Germany (VAA), and the Federation of Employers in the Chemical Industry (BAVC).

Demography will be THE challenge of the future, not just in Germany but also across Europe. Together with Italy and Japan, Germany is in the top 3 of the fastest ageing of the population. In Germany, the

communicate in companies and to employees and introduce the demands generated by demographics and to show the good example.

Thank you for your attention.

**‘CROMA Business Academy’**  
**Mr Esad Colakovic, President of the CROMA Business Academy, Croatia**

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Let me first greet you on behalf of the 3,000 members of our association, which became a member of the CEC only last year, although for the past three years, we had been associate member. We are very happy about it and proud to have become a member of the family.

It is notorious that there is interdependence between mobility and education. One of the worst consequences or most unfortunate recent historical circumstances – due to the war and post-war recovery of our country – was not so much the physical destruction of Croatia, but the brain drain. According to statistics, in the past fifteen years, over 120,000 young Croats left the country in search of more challenging chances for their careers, their education, etc. For a small country like Croatia, which only has 4.5 million inhabitants and with barely 6,000 € in national revenue per capita, a loss of more than 100,000 young people is disastrous, almost irreparable.

There is another problem: last year 5,000 young scholars aged 15 and up also left the country for the US only to attend colleges, various technical schools, graduate programmes and MBAs.

No one knows the exact figures but we all feel the consequences of the brain drain. If there is no quality school system within a country, then it is only logical that parents will send their kids abroad and that the children and youngsters who seek better education and better life opportunities will also choose to go to the finest schools possible. That was the notion that drove us to the conclusion that we, as Croatian managers' association, as parents if you wish, should do something to address the problem. The government does not care. Foreign schools did not see any motivation to come to Croatia because the country is too small a market from their perspectives. To address the problem, we decided that we should do something on our own. This is the start of the history of the CROMA Business Academy, which I will introduce briefly, not as a success story because it is not a success story, it is an ongoing process, it is still a challenge, it is a trial for everybody participating; but we love it, we are proud, we are happy. It is far from fully developed and established as a project, but it is promising and worthy.

Galileo said that you cannot teach a person anything, you can only find it within him/her. Thus we asked ourselves what kind of school is more appropriate. How to organise a curriculum, how to make it attractive for students? And who are the students and how they will benefit from it?

Therefore, we decided to take a very risky and entirely innovative approach in the full respect of the Bologna standards and other essential professional guidelines in the field. You will see briefly how we have arranged the project and the first results of just a short 3-year history of the school.

We needed to start somewhere. Therefore, we decided to focus on the soft part of the story, not so much on technical skills, because technical skills can be – to my opinion – easier, as part of them can be acquired during the professional career and can be, must be improved if you want to deliver first-class services that are expected from senior managers. But, how to manage yourself and lead others is the key challenge if it is true that change has to be managed – and it has been said today between the lines and directly – then it is the main day-to-day duty of each individual entrepreneur, of each individual CEO or employer. Anyway, we were faced with a problem of structure and we have raised several fundamental questions, like is the road map to proper identity a success and who is in charge? Croatia is in the process of change; we are at the crossroads. We need to start from the scratch. Five years ago, in our country, there was no one single MBA School or management school. So, what is the road map? Who shall do something about it? We decided to be responsible and that we should give it a decent try.

We are a country in transition. We know that we want to join the EU, but what for? What do we benefit from? What do we sacrifice? What is our identity? Etc. Certainly it will affect our lives and our ideas. For instance, CROMA's vision is for Croatia to be the California of Europe, but we might also become the technological museum of Europe or a misery of Europe and you might have guessed which alternative sounds more attractive.

achieved some of those promises. These are processes, of course, and we will only be able – in due course of time i.e. within ten years – to have enough experience and feedback to assess.

The programme outline was also quite different from what exists elsewhere, in Europe, in the US, or around the globe. It was a two-year part-time study with 750 hours in the classroom, 400 hours of project teamwork, and constant mentoring assistance within this period of two years. Six-week long modules and twenty weekends because the students are busy people and their companies cannot afford to replace them. Thus they may stay at work and simultaneously dedicate some time for school and training. Therefore, minimum absence is promised and delivered. In the first year, there were 50% of mandatory lectures, because as I said before, the lack of knowledge and expertise is a problem and the technical vocabulary used must be standardised for the whole profession. But, in the second year, 80% of all classes are designed according to individual choices. The students, instead of writing papers or theses, were asked to develop an individual business plan or team project connected with their company.

I may also say that a group of five people who completed the studies in the first generation established their own private company, which is now amongst the fastest private companies in the business so far. Everybody helps them.

What are the faculties on board? We have the Wisdom Board and the Programme Counsel. The Wisdom Board is chaired by Peter M. Senge from MIT (Massachusetts Institute of Technology) and includes people who are globally renowned for their professional achievements: academics, consultants and practitioners. Whoever is interested to learn more, can visit the following website [www.cba.com.hr](http://www.cba.com.hr). Thank you.

### **‘The Mobility of Managerial Staff’** **Mr Claude Courty, National Secretary, CFE-CGC France**

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I could exemplify the sentence that Georges Liarokapis, President of CEC retained from the conference held in Brussels on mobility: “mobility starts in the brain”; it is a state of mind.

I would illustrate what he said in a very simple way: my father – because of his professional life – taught me what mobility is. He made me pack my bags six times and when I finished my studies and started my professional career, I changed companies eight times, had six different jobs and lived in three countries. I would indeed say that mobility is both something that you have in you and – sometimes – an unsaid notion, a game, a taking of risk even if the trade unionist I am today has as a mission to reduce risk for all employees who decide to accept mobility to respond to the needs of their companies.

For 50 years, men and business have been living on a geographical scale going beyond the traditional borders of cities and regions. The means of communication have moved from paper letters to emails, from car travel to plane travel, from slow to high-speed trains. Today, distances are relative. It is as easy for a wage-earner e.g. to travel from Orleans – located about 100km from Paris – to Paris on a high-speed train as to cross Paris to go to work, bearing in mind that the average travelling time of a head of household living in Paris is 89 minutes.

Working methods have also been changed by computers and by the Internet and today real offices are not always the traditional company offices that we knew in the past. Your office is in your pocket sometimes. It is in a connexion.

Today, all this combined means that an executive can work far from home on the high-speed train, on the plane and accomplish in a day, what we used to do in 3-4 days in the past. Add to this the globalisation of business and you find companies that have even been able to anticipate upon the evolution of transport and communication. In order to develop, businesses went to get clients or suppliers at the other end of the world. To adapt to this changing context, companies and their employees have had to come to terms with ever-increasing mobility. Limited in scope to their region at first, companies quickly became European and are now global players.

This is not an easy process. Today, companies must face both the need to adapt to the local market as well as the need to transfer employees to manage the mutations businesses are exposed to.

enough – often get language classes as well. Something I could notice in several companies is that careers are being managed anticipatively. Unfortunately it is not the case in all of them.

Sometimes – unfortunately most of the times – a person is being selected; she is then called into the boss' office and told about the mobility placement and when the wage earner asks in which conditions mobility will happen, his/her superior just negotiates a bonus. So it becomes pure commercial bargaining in which the employee has little influence over the employer. In the past, collective agreements provided for very practical, very codified rules but as time went by, the advantages got watered down.

Individuals ought to take their responsibilities and show they can take risks that would demonstrate their abilities to be part of top management. They are given a bit of hope but in return, this hope is quite often disappointed at a later stage. Disappointed because actually one of the great realisations we had when doing a horizontal analysis of collective agreements and the processes that led to their signing is that in return from mobility many were surprised by the way their prime mission and the promises they were made ended up being forgotten. The person went on mobility, came back and was put for a while in a "support position" as they say. Actually, upon return, people can only be disappointed of the way the risk they took in being mobile is being compensated and rewarded upon return. It happened in the majority of cases we encountered in the interviews carried out.

It is therefore important for today's corporate managers to pay attention not to discourage mobility because it is wished for by people in companies – be it geographical mobility or job mobility – and because it is a basic element of the quality of work.

The original experience I was telling you about earlier on is an experience that was carried out for the world of business by a process that we have in France, which is called *1% housing*.

This system is a 1% levy industrial and commercial businesses employing more than 10 people have to pay to an authorized body. Every year, the amount of money collected reaches € 1,700 million – plus the same amount for the loans granted in the previous year. We therefore have more than € 3,500 million available to help employees find housing, get loans to build up a home and access real estate property or improve their homes. This body is jointly managed by both employers and trades unions – our union is by the way part of the process.

A few years ago, we decided to create a tool called "mobili pass" to help companies manage change and implement a system, both individually for wage-earners and collectively for companies in order to manage mobility and allow those SMEs that do not have enough means in their collective agreements or corporate structures to help their employees. € 3,000 can be provided to each *individual* employees so they can come to terms with double rents, adapt to new housing costs or pay for hotel expenses, etc. *As for companies*, a full program has been implemented to, on the one hand, solve the housing problem, but also the issues of the working spouse, of child education, of school registration and of adaptation to a new life. If the mobility brings about difficulties in the family, the scheme even goes as far as providing the help of a social worker to support the family so it can get used to its new environment.

In 2003, we handled some 31,000 dossiers. In 2005, we handled almost 42,000 dossiers to a total amount of € 75 million. This system is increasingly chosen by companies because it responds to a real need for support to mobility. When you move jobs or countries, it is sometimes hard to fulfil your work mission and – at the same time – deal with the moving of the whole family, the search for housing, the maintaining of job quality, etc. Hence, providing this support scheme is making people's professional and personal lives easier.

The second thing that was a matter of concern is the mobility clause I was telling you about earlier. This mobility clause is an article that is added to a particular employment contract: the holder of this contract will have – if the matter arises – to accept his/ her company's request for him/her to change workplace, to move locations or jobs, if it's not both geographical and business mobility at the same time. Indeed, geographical and professional mobility may overlap but not necessarily lead to being promoted. This clause is almost systematic today for executives and managers' contracts although they do not necessarily give rise to any counterpart advantages. Nevertheless any clause being added to an employment contract must be bargained on and a counterpart advantage negotiated. Today, many employers are trying to introduce this clause discretely when collective agreements are being renegotiated. Fortunately some trade unions – like ours – are watchful and ask for this clause to be renegotiated with counterparts for the employees. Unfortunately, today, many renegotiation processes

perspective of the individuals and also for the companies, it is not a bad thing at all, on the contrary, it is a very positive development. It is probably one of the forms of mobility, that in quantitative terms is the most important one inside the European Union and I think it will grow much further.

There are of course other types of mobility and what we have seen from the company – Philips was an example – is that indeed companies open up their internal labour market but regard people who move inside the company much less as expatriates, as they were in the past. They are not on international assignments and mobility is viewed as an opportunity in a career. Of course, I understand that some people regret the privilege they had in the past and that they do not get any more. The question is: what do you want to compare in such cases? The privileges of the past were perhaps only linked to mobility to very remote areas with difficult living and working circumstances. For a person who is moving in general from one European country to another European country, the sacrifices in terms of overall living and working conditions are not so tremendous. What we try to convey in the European Year of Mobility is that mobility is also an opportunity for a personal enrichment. Not only in monetary terms but also a cultural and educational enrichment. If you see it that way, there is a certain logic also that from the company point of view, the compensation that is given for going abroad, is commensurate to that aspect.

### **A participant**

One question has not been asked yet during the conference: what is at stake in the European mobility? Of course, we spoke about flexibility but in my opinion the notion of European citizenship is at stake when talking about the European mobility. If we want the notion of European citizenship to be meaningful, mobility is part of the success of this process. But we will have to have the means for our ambitions.

### **A participant**

There is I think an aspect we have hardly touched on – while we have mentioned the fact that there is an aspiration to have 40% of women employed as managers –we are talking more often now about mobility of two working partners, rather than a single working partner. While there is such talks - in particular in the last presentation - about barriers in terms of the fear of being distant of one's family and loved ones and problems with children, there are very few companies who are addressing the issue of a two-partner working family. There are some excellent exceptions, but they are in a minority. I think until we try and find some way of overcoming that issue, we won't facilitate mobility in the management population at least.

### **Answer from Mr Ten Geuzendam**

This is exactly one of the issues that is subject of one of the research projects during the European Year of Mobility. We are looking into good practices of companies when it comes to the issue of spouses employment.

## V - CONCLUSIONS

### Mr Georges Liarokapis, President of the CEC

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Here are the main conclusions that can be drawn from the different speeches.

#### **Mobility and Flexibility: a State of Mind**

Mobility is a state of mind more than a cultural or geographical trait. The wage earners we are should have a very open attitude towards change and remember that mobility IS change. This calls for social partners – both employers and employees – to make increased efforts to tend to “flexicurity”. The ability to accept change during his/her professional career, the will to keep training and work longer must be developed.

#### **Executives, Managers and Mobility**

Mobility is very heterogeneous and varies from one country to the next, as does the inclination to being mobile. Executives and managerial staff are particularly concerned by mobility as they are twice more susceptible to be mobile than less skilled workers – mobility has become a necessary step in their careers. Executives also have a role to play to show the good example and communicate in every company the need for mobility needed to come to terms with demographic change and unemployment.

#### **Mobility and Security**

There is also a growing trend at giving less and less of a framework to mobility, mainly within Europe as it is now considered a normal step in people’s careers and an opportunity to personal development.

However, a certain degree of security is necessary. Mobility must be carried out in a fair and balanced way. It must be prepared and supported. Conditions must be transparent and clear. Mobility must be integrated in individual career plans. Returning from a mobility period – which is too often neglected – must be handled responsibly by the company and the expertise acquired through mobility must be valued.

Having companies draft a mobility charter in consultation with the social partners would allow reassuring employees considering mobility.

We also saw that the recognition of professional skills and of personal competencies can be a very useful tool to lift one of the main obstacles to the mobility of executives, i.e. the inability to prove its professional and personal competencies.

#### **Mobility and Family Life**

One of the main obstacles of mobility is family concerns. Within companies, focus should be on support to the spouse, on children education, on housing, etc. Particular measures must be taken in order to allow the couple to be mobile when both spouses work so that the career of one is not sacrificed to the benefit of the other. It is a crucial problem, mainly for executives.

#### **Mobility and Company Structuring**

Unfortunately, mobility is not always a choice. Restructuring often implies job losses or mobility but such restructuring processes could be better managed if measures were being taken early enough. This is a pedagogical process and effort companies must be able to participate in. Employees must be prepared to change jobs or companies because if they were restructuring would have less of a negative impact.

#### **Mobility and Education**

The young generation feels more at ease with mobility and is more ready to be mobile on the European labour market. Obviously, mobility during the studies promotes professional and geographical mobility