



CEC EUROPEAN MANAGERS

Defining the managers we represent

A resolution on managerial staff in the European Union

We, the members of the Steering Committee of CEC, hereby consent to and adopt in writing the following resolution as of the 25 June, 2014.

The CEC European Managers,

- having regard to the report on the situation of the managerial staff in the European Community on 18 June 1993 of the Committee on Social Affairs, Employment and the Working Environment, by Mr José Maria GIL-ROBLES GIL-DELGADO (A3-0196/93), and
 - having regard to the need to update the above mentioned Resolution in order to make it more coherent with the current working environment,
 - having regard to the necessity to ensure that the vital contribution of managers in orienting the EU economy and their central role of the European civil society is acknowledged by both EU institutions and citizens,
 - having regard to the Article 154(2) of the Treaty on the Functioning of the European Union on the Commission's responsibility to consult CEC as a social partner on the possible direction of Union action,
- A.** whereas managerial staff are employees, who are distinct from the employers and from the other employees by their skills, competences, qualification and experience; with a substantial autonomy, authority and responsibility (which contribute to the coherence of the work and actions of all workers) and act as bridge builders between the ownership and the ordinary workforce,
- B.** whereas the right of managerial staff to information, consultation and representation in existing consultative bodies (as a result of voluntary agreements in certain multinational undertakings) must be recognized inside undertakings and groups operating at the European level,
- C.** whereas the Directive 2009/38/EC on European Works Councils has failed to reflect properly the diversity that exists within the employee representation schemes at the national level,
- D.** whereas we acknowledge the risk that the results of the negotiations might endanger the managers, considered as a minority of the concerned workforce, by reducing the level of their participation and involvement,
- E.** whereas the full participation of the managerial staff at the sectoral level has not been accomplished in many cases,
- F.** whereas provision should be also made for the legal principle of equality between men and women, but also for the socio-economic factors such as the demographic change and the shortage of skills from many sectors,
- G.** whereas provision should be also made for the lifelong learning EU's priorities, with regard to the individual training accounts,
- H.** whereas the process of mutual recognitions of professional qualifications remains arduous, time-consuming and unpredictable in its outcomes,

- I.** whereas provision should be also made for the freedom of movement in the field of public, occupational or private protection schemes,
- 1.** Calls on the Commission / the European Parliament to carry out / to consider this resolution for its future
- 2.** Considers that the European legislation on the information and consultation of employees at the company level, as well as the representation of managers must be improved;
- 3.** Considers that the chances for managers to be effectively represented in European Works Councils must be improved in future reforms of the Directive 2009/38/EC; similarly, the different directives that deal with employee representation in the field of European Company law should be improved (e.g. directive 2001/86/EC);
- 4.** Considers that the possibility for managers to join the so-called "special negotiation bodies" must be improved; also CEC European Managers asks for more stringent mechanisms for a minority protection and a stricter version of the "before and after principle"; along with these, it should be prevented that the level of participation and involvement of managers will be reduced as a consequence of the negotiation process;
- 5.** Calls on the other social partners for full recognition of the managers;
- 6.** Calls on for the preservation and the strengthening of the role of managers in the European Social Dialogue and for the defence of the autonomy of the EU social partners;
- 7.** Calls on the European Union to provide political support for the managers;
- 8.** Considers that unnecessary obstacles for higher labour market participation should be removed and more improvements should be made for a better compatibility of work, family and private life;
- 9.** Considers that the EU can and should encourage all Member States to set up a regulatory network that facilitates the establishment of individual training accounts; it might also introduce minimum standards and reasonable conditions for portability of these accounts to the benefit of mobile employees;
- 10.** Considers that the criteria that the Member States or the authorities apply to the professional mobility and to the recognition of academic diploma or qualifications, should be proportional and require objective reasons in case that no certificate of equivalency is issued for foreign degree-holders;
- 11.** Calls on the European Union to actively contribute to the facilitating of mobility in the field of supplementary occupational or private protection schemes.
- 12.** CEC expects that regulation 883/04 (on the coordination of social security systems) will be continuously fine-tuned over the years to come in order to solve any remaining problems.

EUROPEAN MANAGERS

Explanatory Statement

1.1 A definition of “managerial staff”

Managerial staff can be known under different names and may cover a range of different situations, depending on the specific features of each country.

However, all concur that managers are employees having a special role to play in the companies. They are distinct from the employers and from the other employees and act as bridge builders between the ownership and the ordinary workforce. Therefore, managers play an essential role in defining the strategy for the development of the company and in achieving the business goals, with the support of all available company resources.

1.2. Main features of “managerial staff”

There are some general factors typical to all managerial staff that distinguishes them from the other employees of a company or an organisation. Depending on the branch, the size of the company and its specific culture, not all but at least some of the following criteria have to be met in order to identify an employee as a manager:

- Managers are characterised by above-average levels of skills and competences, which include both formal qualification and expertise, as well as work experience.
- They enjoy a substantial operative autonomy allowing them to choose their own working rhythm and methods within basic guidelines in force in the company or the organisation. If they don't all necessarily participate directly in the process of setting the strategic goals for the companies or the organizations they work for, they all enjoy relevant responsibilities in ensuring their execution.
- Usually they enjoy authority over employees, but in some cases (i.e. in research) managerial staff might have no authority over others. Managers have wide-ranging decision-making authority, often related to contractual duties which are important for the existence and development of the company. In order to fulfil business goals that are of strategic importance for the company and take autonomous decisions, managers are also normally endowed with financial authority that may include general authority (power of procurement), full power of representation or the power to sign. Additionally, under a legal perspective managers bear a position of greater responsibilities than the other employees, these being special responsibilities under civil law and, in some case, criminal law.
- Due to the complexity of their duties involved, managerial staff usually have contracts which may include provisions for particularly long probationary and notice periods.
- Another distinctive contractual feature that differentiates managers from the other employees and workers is that a substantial part of their remuneration is based on reaching defined corporate objectives.
- The contribution of managers to the definition of the strategy of the company includes also the setting of the CSR principles to which the company adheres. This great responsibility goes hand in hand with a strong ethical concern that managers must apply in their activities.

2. Good management in practice – CEC Quality Criteria for Managers

CEC and its member organisations have a long experience in matters of good governance. They have contributed to the edition of the following criteria for quality management. The purpose is to give the view of managerial staff itself and provide a guideline to individual managers so as to help them perform at their best in their profession. The following criteria build a guide to all managers from the lower levels up to the very top.

Being and Remaining Competent - What matters is not only to know every single detail, but to have an overall vision of all the activities and to be able to embrace new tasks. It is thus essential for managers to have in-depth methodological skills, which allows them to lead the various operational processes and organise the company. Managers must also be able to combine the information with the know-how.

Managerial staff has also the responsibility to improve the skill levels of the employees working with them. Here, talent management is a crucial factor, i.e. an organisation's commitment to recruit, retain, and develop the most talented and superior employees available on the job market.

Acting Responsible and Autonomous - Those who take on responsibilities will not hide when the time comes to make a decision. Managers shall make sure they listen to all the basic arguments of all the people concerned but they shall avoid endless discussions as well, and enforce their decisions even when the situation gets tough.

Being Able to Anticipate - The globalisation of markets has dramatically changed sectors, as well as corporate management and organisation. And as we live in a fast-moving world where technologies and information transforms every day, managers must be open and committed to such changes. They are initiating and modelling this change, taking a significant responsibility on their implementation in the purpose of the company's well-being.

Being Able to Play the Facilitator - One of the main challenges managers have to face is to solve conflicts. Hence, managers must make sure that relationship problems between colleagues are clearly distinguished from professional divergences of views; an aspect that is applicable for them as well. Managers must play an active part in establishing trust amongst their colleagues. They must also pay respect to gender equality, diversity, personal lives and rights of their co-workers.

Clarity is of vital importance, thus managerial staff must demonstrate excellent information and communication skills. They must explicitly communicate their expectations and also give feedback to other co-workers. Sensitive decisions must be communicated openly to colleagues and staff.

Having Personal Involvement - For the company to be successful, it is essential that all colleagues give their best at work and are motivated. When managers practice participative management, companies find it easier to deal with crisis situations such as internationalisation, mergers and restructuring, strategic refocusing, etc. Adding value to human capital, involving more colleagues in innovation and in strategic brainstorming must be practised and demonstrated by managers.

Aiming at social, financial and environmental sustainability - In order for workplaces to be functional and for businesses to be successful, both the employees and managers must act and be social, financial and environmental sustainable.

3. Our expectations

In order for managers to play a productive role in their companies and in society a supportive regulatory framework is a crucial prerequisite. In the past years, the European Union has made many valuable contributions that allowed managers to effectively use the opportunities of the common market. However, from CEC's perspective not all achievable goals have been reached yet and not all regulatory issues have been dealt in a completely satisfactory manner.

CEC considers the following issues to be particularly important and it would welcome new legislative initiatives within the next years. In fields where the EU has no legislative powers, CEC encourages the EU to set up general political goals or a benchmarking process with reporting duties, in order to foster the change at the national level in the member states.

3.1 Protection and promotion of collective rights for managers

The Gil-Robles-Resolution from 1993 has correctly emphasised the key role of managers in the Social Dialogue within a company. Managers bear a high responsibility for implementing strategic decisions that have been taken at the board level. This intermediate position between board and non-managerial employees must also be recognised in European labour and company law.

Wherever national labour in a Member State provides for an autonomous form of collective representation for managers, these institutions should by all means be respected and not be negatively affected by EU-legislation.

As to European legislation on the information and consultation of employees at the company level, the representation of managers must be improved. Especially the Directive on European Works Councils so far has failed too often to adequately reflect the diversity that exists within the employee representation schemes at the national level. The chances for managers to be effectively represented in EWCs must be improved in future reforms of this directive. Similarly, the different directives that deal with employee representation in the field of European Company law should be improved (e.g. directive **2001/86/EC**).

CEC generally supports the main mechanism of these directives, i.e. the negotiation process between employee representatives and the company. However it is necessary to ensure that the rights of managers to join the so-called "special negotiation bodies" is rightfully respected. CEC asks for more stringent mechanisms for a minority protection as it might happen that the results of the negotiations endanger managers considered as a minority within the overall workforce, by reducing the level of their participation and involvement.

3.2 A stronger role to managers in the Social Dialogue on both the cross-sectoral and sectoral level

In order to secure the professional input of managers and to use their specific technical knowledge in the European legislation, it is necessary to preserve and to strengthen the role of managers in the European Social Dialogue. Especially on the cross-sectoral level CEC has been eagerly and actively participating in this dialogue in the past and will continue to do so in the future. At the sectoral level a full participation has not been realised yet in many cases. Here, CEC expects full recognition by the other social partners and more political support by the EU.

3.3 Professional equality between men and women

The legal principle of equality between men and women, but also the socio-economic factors such as the demographic change and a growing shortage of skills in many sectors make it necessary that women fully use their qualifications in the labour market. Unnecessary obstacles for higher labour market participation should be removed and more improvements should be made for a better compatibility of work, family and private life.

The EU can make different contributions to reach those goals at different levels. First of all it can, even in fields where it has no legislative powers, set up political goals and to foster change in the Member States through a stringent benchmarking process. CEC considers that European institutions and social partners must stabilise the decrease of gender gap, both with respect to remuneration and with regard to the access of women to decision-making positions.

3.4 Facilitation of lifelong training and skill development

Lifelong learning has become one of the European Union's top priorities with the launch of the Lisbon strategy in 2000 and continues to play a key role in the Europe's 2020 strategy.

Individual training accounts are a promising instrument for reaching this goal. The term defines "saving account in name of an employee that is used to bear the costs of training". The EU can and should encourage all Member States to set up a regulatory network that facilitates the establishment of individual training accounts. It might also introduce minimum standards and reasonable conditions for portability of these accounts to the benefit of mobile employees.

3.5 Further progress in the field of mutual recognition of academic diplomas and of professional qualifications

Professional mobility will continue to be severely hampered as long as the process of mutual recognitions of professional qualifications remains arduous, time-consuming and unpredictable in its outcomes.

CEC welcomes the progress that has been made in this field, and believes that more advancement and an even greater contribution to mobility are possible. The mechanism of an automatic recognition of skills is a particularly lean and efficient method. Its scope of application should be expanded as far as possible.

Beyond that, processing periods for certification individual requests should be as short as possible. The criteria that the Member States or the authorities apply should be proportional and require objective reasons in case that no certificate of equivalency is issued for foreign degree-holders.

3.6 Overcoming unnecessary obstacles to the freedom of movement in the field of public, occupational and private schemes of social protection

From the early beginning of the formation of the Common market, EU has been very successful in ensuring equal treatment of EU citizens and in avoiding deficits in social protection for mobile employees in the EU. CEC expects that regulation 883/04 (on the coordination of social security systems) will be continuously fine-tuned over the years to come in order to solve any remaining problems.

Beyond that, the EU can also contribute to facilitating mobility in the field of supplementary occupational or private protection schemes. Here however, it must

respect the great diversity of systems that exist within the Member States and the different role they play for social protection of employees.

3.7 Concluding remarks: Progress in the field of labour rights and social protection as the overarching goals

In the past years, some regulatory initiatives by the EU have raised concerns within CEC. It sometimes appeared that the EU – especially when dealing with social and labour law – places a too high emphasis on maximizing harmonisation and pays too little attention to the actual the actual impact on individual employees or groups of employees.¹

Labour market statistics of the past years have shown that only a small minority have effectively used their freedom of movement within the EU. Estimated range is between three and four percent in sum.

Although this percentage is obviously much higher among managers and experts, CEC is convinced that a high occurrence of “sedentism” is not primarily a result of too many obstacles for mobility not having been removed yet. Rather, it seems more likely that frequent transfers from one Member State to another will continue to be typical only for a relatively small group of younger or very highly specialised employees.

For CEC a harmonisation or a close coordination of national social protection schemes (public, paritarian or private) is not an end in itself. Rather, measurable improvements at the level of the individual employees should remain the overarching goals.

¹ For instance, in the field of supplementary pensions the Commission has repeatedly insisted for long periods of time on legislative proposals of which companies, unions and pension-experts almost unanimously, consistently and credibly claimed that they would severely harm existing and well-functioning systems at the national level in some member states. The debate on applying solvency II-standards or variants thereof (“Holistic Balance Sheet”) is only one several negative examples. On the other hand the recent compromise on the “Directive on minimum requirements for enhancing worker mobility between Member States by improving the acquisition and preservation of supplementary pension rights” are a good example of a balanced and sound approach that can be reached if all valid arguments are heard and properly taken into account.