

Your discussion partner

Dr. Johann Kalliauer

President of the Upper Austrian Chamber
of Labour

Mag. Daniel Schönherr

Social researcher, SORA

Career Advancement is Getting More Difficult - Number of Executives on the Decline

Press conference

Friday, 5 July 2013, 10 a.m.

Café Griensteidl, Vienna

Executives:

largely male, older, and better educated

The current evaluation has shown that career advancement is getting more difficult. In the past three years, the number of executives has dropped from about 498,000 to approx. 413,000. According to the Executive Monitor Report the share of wage earners in a managerial capacity in Austria was 11 percent in the period from 2012 to 2013. The administrative sector has the highest share of executives (15 percent), the educational sector the lowest one (nine percent) .

The most important - and in fact absolutely essential - factors for someone to fill a leading position are still a person's education, sex, and age: the higher the formal level of education, the higher the liability that an employee fulfils a managerial function. For the most part, executives are older and male. Twice as many full-time employees as part-time employees are executives. Another aspect: only five percent of the migrants make it to a managerial position, compared to twelve percent of people without a migration background.

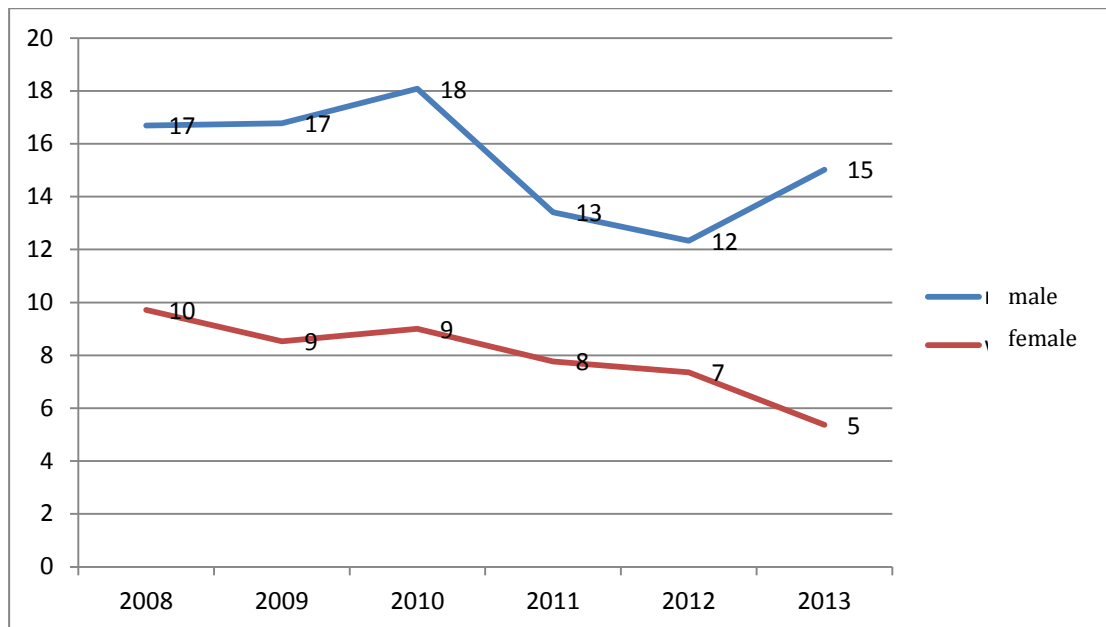
Particularly striking: even highly qualified migrants hardly ever make it to managerial functions. Only nine percent of all migrants having a university degree, but 24 percent of all better qualified employees without a migration background fill a managerial position.

Decline in managerial jobs mainly affects women

Since 2010, the share of executives among the female employees has continuously declined from nine to currently five percent. Among the male executives, too, the share has diminished. However, from 2012 to 2013 it has been a little on the rise again.

In 2010, there were about 498,000 executives in Austria, compared to approx. 413,000 at present - obviously a sign of the aftermath of the financial and economic crisis. Intensified savings and rationalization efforts made by companies have also taken effect on the executives, and on women in particular.

Share of men/women with executive functions



Meanwhile, significantly fewer employees between 26 and 35 years of age advance or move up to managerial positions. In the period of 2008/2009 13 percent of the younger employees said they were executives, compared to only seven percent in 2012/2013. The same applies to people with medium education or A levels. For migrants, it is even more difficult to reach managerial positions. The most distinct decline in executive positions is observed in trade and in administration, as well as in the western and the

eastern regions of Austria. For contract agents it is harder to make it to managerial positions today than it was some years ago.

Childcare as a major obstacle for career advancement

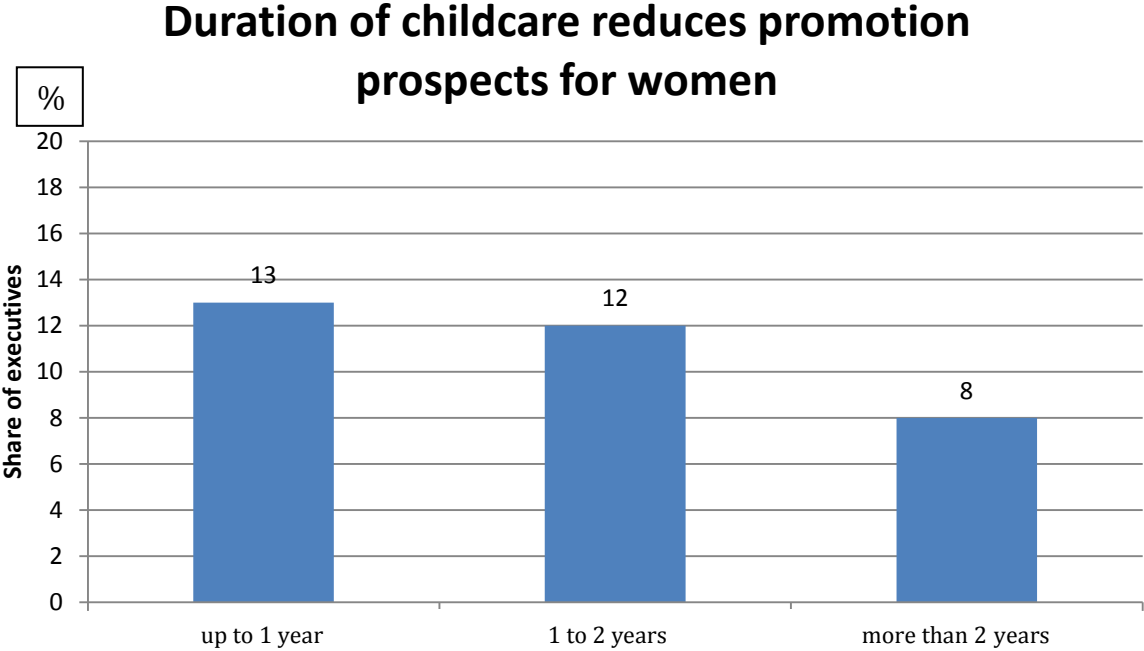
The interruption of the occupational history for reasons of childcare is still a major obstacle for a further career. And it is still mainly the women who give up their jobs for a certain time to take care of their children. In the group of women over 45 years of age who did *not* interrupt their professional life for childcare the share of executives is currently 17 percent, whereas in the group of those who *did* interrupt their job history for the purpose of childcare, this share is only seven percent.

The best way to facilitate the compatibility of childcare and fulfilling a managerial function is to provide sufficient childcare places of high quality. The only Austrian province, however, fulfilling the quota of 33 percent of childcare places for children under the age of three is Vienna. As a consequence, mothers in Vienna get back to their jobs earlier than others. This becomes apparent when we take a look at how long mothers of one child, for example, interrupt their professional career because of childcare: 45 percent of the women in Vienna return to their jobs within the first year, 78 percent within the first two years. Only 15 percent stay at home for three years or longer. Compared to this, the share of women in other regions of Austria interrupting their employment career for three years or longer because of childcare is between 19 percent (Lower Austria, Burgenland) and 29 percent (Tyrol, Vorarlberg).¹

At the same time, the data have shown that 13 percent of the women who interrupt their employment career for one year at most to take care of their offspring are in managerial functions. 12 percent of the women who stayed

¹ This calculation includes only mothers of *one* child, since the interruption gets longer with each child. The period under consideration is 2008 to 2013 (accumulated).

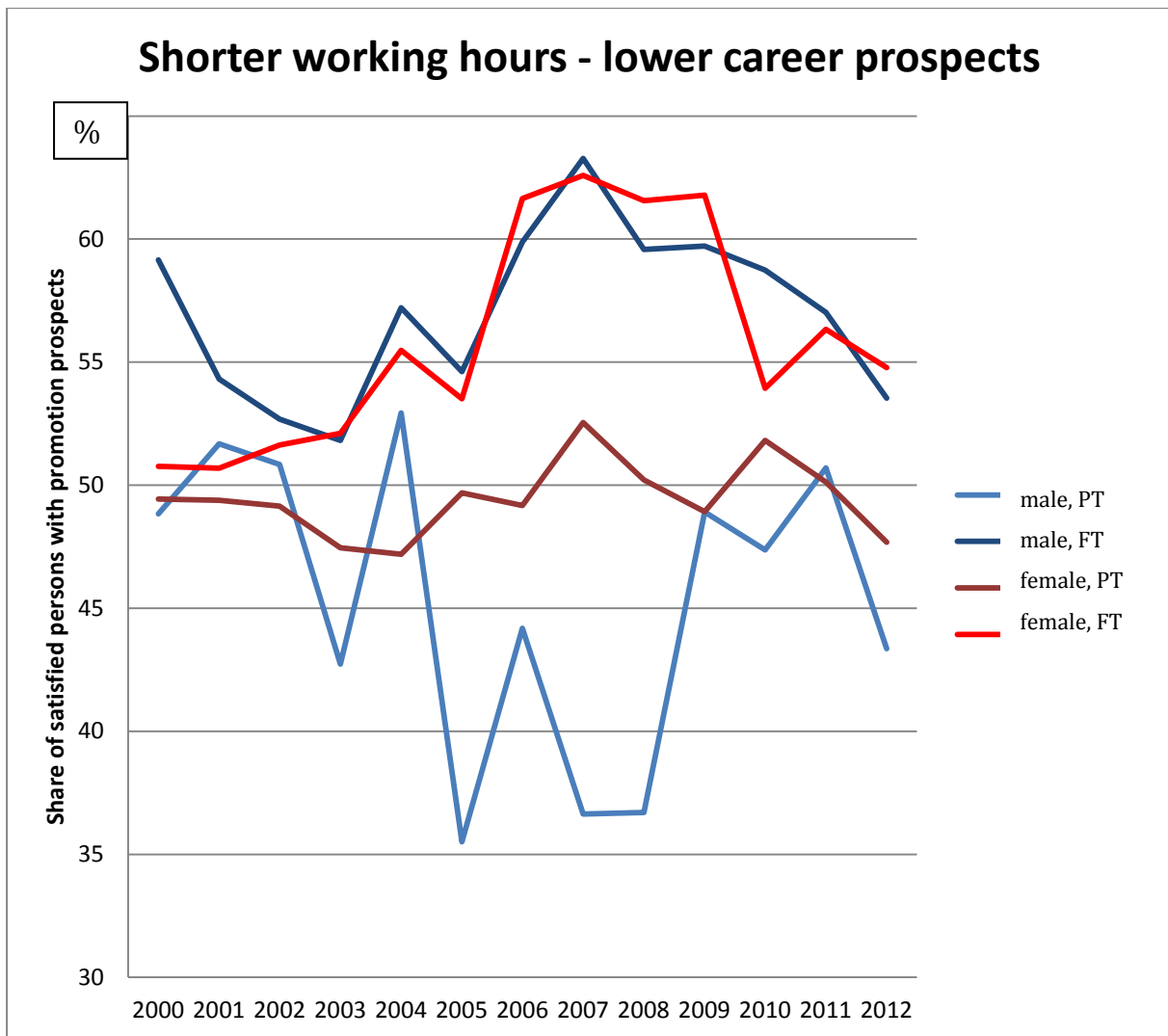
at home for a maximum of two years, but only six percent of the women who stayed at home between two and three years fill executive positions.



Part-time employees see little opportunity for advancement

Full-time employees tend to be more satisfied with their opportunities for professional advancement and development than part-time employees. Over time, satisfaction has shown to be declining across all groups since 2010.

34 percent of the employees striving for a higher position work more than 40 hours on a regular basis, nine percent even 45 hours or more each week. Generally, the promotion prospects of employees working shorter hours are worse: only five percent of all women working part-time said they had a leading function in their enterprise. Among the women working full-time this share is nine percent. However, the fact that there are nine percent of men working part-time in executive functions proves that managerial positions and part-time work are not mutually exclusive.



Demands raised by the Upper Austrian Chamber of Labour

- Implementation of the Barcelona target (childcare places for at least 33 percent of the children under three years of age) by 2015 at the latest;
- Expansion of kindergarten places meeting the requirements of mothers working full-time to 45 percent by 2015;
- Progressive expansion of compulsory kindergarten attendance
- Quality initiative implementing the following measures, among others: enhancing the status of educators and assistants as well as improving the staffing ratio: two trained educators plus one assistant

on an obligatory basis for each group of 20 children. Groups featuring a high share of children whose mother tongue is not German should have a second qualified person specifically prepared for such requirements;

- Raising awareness to show the positive effects of early childhood care and education as well as to reduce prejudice against working mothers.

The Austrian Executive Monitor Report

For 16 years the Upper Austrian Chamber of Labour has surveyed the Austrian Work Climate Index on a regular basis. The situation of employees in managerial functions was first addressed in 2009. The Austrian Executive Monitor Report focuses on questions like the following: What about the job satisfaction of executives in Austria? What are their worries and troubles? To this end the Chamber of Labour uses the data of the Work Climate Index, supplemented by additional surveys made within the scope of the Austrian Executive Monitor Report. In face-to-face interviews the respondents are asked if they hold executive positions. Approx. 14 percent of the wage earners have answered this question in the affirmative. Projecting this figure, we get a number of more than 400,000 executives in Austria. This group includes foremen/forewomen in the industry and branch managers in trade, as well as managing directors in the private sector, or executives in the field of public administration. Thus the Executive Monitor Report covers a wide range. With this study, the Upper Austrian Chamber of Labour wants to highlight the situation of employees in managerial functions.