

CORPORATE SOCIAL RESPONSIBILITY AND SOCIAL DIALOGUE IN HUMAN RESOURCES MANAGEMENT IN THE BANKING SECTOR IN GREECE: A CASE STUDY OF ELDER BANK EMPLOYEES

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Abstract

Corporate Social Responsibility constitutes a powerful tool for Greek Banks for the development and formulation of their public image. However, many times this does not conform to socially accepted practices in the management of their human resources. In this current phase of economic crisis and restructuring in the banking sector some crucial issues have emerged. A major one is the problem of supporting and encouraging the employment of elder employees in a framework of practices, principles and values, which embed internationally accepted standards emanating from CSR and HR management. Balancing the public image of banks in relation to a difficult social reality regarding the issue of elder bank employees goes through the formulation of a consultation and social dialogue system including all social factors involved. In this article we propose the development of a structured system for public consultation and social dialogue based on primary research on a weighted sample of elder employees and managers of banks, as well as trade unions heads. This system will comprehensively address the issue of active ageing in the banking sector by proposing effective actions and solutions per policy area: awareness, using awareness indicators, maintaining employment and supporting career pathways, combating stereotypes related to age, etc. The proposed consultation system aims to increase transparency, collegiality and quality in decision making processes. The consultation system is governed by general principles, stages, fields and levels of social dialogue and takes into account the conditions for the development of social dialogue mechanism. The authors believe that the system proposed is also applicable in other branches (provided necessary adaptations are made); therefore it provides a useful tool for applying a policy dealing with worsening labour relations in the context of current circumstances.

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Introduction

Managing human resources at a time of demographic ageing is one of the main challenges developed countries are facing today. According to the United Nations, ageing of the population from the vantage point of increased average life expectancy is a positive fact on which the recent term “active ageing” is based. According to the World Health Organization (WHO), active ageing is “*the process of optimizing opportunities for health, participation and security in order to enhance quality of life as people age.*” In this context, the term “active ageing” implies that older people can participate in economic, social, spiritual, cultural and political activities besides being capable of physical activity or work.

A normal professional life plays an instrumental role in promoting active ageing. As a result, occupational health and security decisively contribute towards ensuring active ageing through a more satisfying and longer-lasting professional life. Working in the best possible conditions also promotes cooperation between younger and older generations.

Undoubtedly, the issue of active ageing is multifaceted to the extent that it concerns the processes of and the time frame within which people are entitled to retirement from professional life; it also concerns their state of health, their ability to respond to laborious tasks, their income status and living standards, their social participation and their relationships with their extended family and social environment. Enactment of generous legislative provisions and implementation of programmes designed for early retirement, as well as lack of incentives for older employees so that they can continue their working lives have inevitably had adverse consequences for public finances, particularly during the current period of economic crisis. On the other hand, there are moral implications involved in all this in regard with maintaining stereotypes and discriminations.

Statistics published by European organizations bear proof to the fact that Europe is ageing. According to Eurostat’s latest set of population projections, the comparison of age pyramids for 2013 and 2080 shows that the EU-28’s population is projected to continue to age. In the coming decades the high number of baby-boomers will swell the number of elderly people. More specifically, EU-28’s population is projected to increase to a peak of 525.5 million around 2050 and thereafter gradually decline to 520 million by 2080. This ageing is visible in the development of the age structure of the population and it is reflected in an increasing proportion of older people and a declining share of younger - working age - people in the total population and the labour market. The EU employment rate for those aged 55-64 rose from 50.1% in 2013 to 51.8 % in 2014. Sweden recorded a very high employment rate in this age group (74.0%), followed by Germany (65.6%) and Estonia (64.0%). Greece is among the countries with the lowest employment rates for people aged 55-64 (34.0%). As a result of the population shift to older ages, the EU-28’s old-age dependency ratio

is projected to almost double from 27.5% in 2013 to 51.0% by 2080. The total age dependency ratio is projected to rise from 51.1% in 2013 to 77.9% by 2080.

It is no coincidence then, that, in Europe, the importance of ageing of the population and, as a result, that of the work force has been acknowledged since the beginning of the 20th century. Successive European Councils (Nice, Stockholm, Gothenburg, Laeken, Lisbon) have acknowledged the need to deal with the consequences population ageing has for European social models. The European Commission makes certain recommendations based, *inter alia*, on the revised Lisbon Strategy for Growth and Jobs, so that the EU may benefit in the best possible manner from the opportunities offered by the extension of lifespan and inaugurate demographic renewal and solidarity among generations, which constitutes Objective 3 of the Strategy. Active ageing is a substantial element in the Europe 2020 Strategy, the success of which depends – to a large extent – on the provision that elderly people have the capacity to make full contribution in and out of the labour market. Elderly people should be enabled to remain active as working people, consumers, caretakers, volunteers and citizens. In this context, the European Commission implemented the European Innovation Partnership on Active and Healthy Ageing (EIP on AHA) in 2011; this partnership attracted a wide range of interested parties who agreed on a coordinated attempt to deal with the problem of ageing population. The European Partnership has set the goal to increase healthy life expectancy of EU citizens by two years until 2020 and it aims to achieve a triple benefit for Europe:

- Improvement of health and quality of life for elderly citizens
- Increase in sustainability and efficiency of social and healthcare systems
- Creation of opportunities for businesses development.

It is, therefore, important for businesses to adopt adequate solutions in order to implement ageing management measures – particularly ones which promote active ageing, thus enhancing the presence of elder employees in respective jobs. In order to address the challenges of demographic change, managers' as well as specialized professionals' main mission should be to design, communicate and realize suitable strategies on active ageing and knowledge dissemination among different generations of employees within their respective companies. Managers also play a highly significant role as it is they who develop strategies aiming at improving the quality of work conditions.

Besides, reforms are really meant to provide businesses with incentives so that they can adjust to changes in the economic climate – incurred by the economic and fiscal crisis - thus allowing closer alignment between salaries and productivity (at industry level), enhancing price competitiveness and promoting labour redistribution. The industrial relations system – or, at least, some of its elements – has, therefore, become central in reforms, thus constituting ground for consultation and social dialogue. The notion that industrial relations constitute significant ground for social consultation

amidst the ongoing economic crisis goes side by side with the belief that by improving working conditions and keeping employees satisfied a company can succeed in pursuing a socially sensitive profile.

The turbulent times incurred by the economic crisis could not spare the Greek banking sector which – during the period preceding the crisis – was characterized by the emergence of new, non-traditional forces. Those forces were primarily strengthened by a series of strategic agreements with groups both inside the country and abroad, which were ratified in the form of mergers and acquisitions, thus leading to substantial changes in the working environment to which human resources had to adjust. Issues such as the institutional liberation of the banking system, enhancement of the growth rate of the Greek economy, readjustment of the guidelines and the supervision of Credit Institutions, as well as technological advances in the field of Information and Communication Technology systems have helped transform the Greek banking system to its current shape.

However, when the economic and fiscal crisis hit the country, new restructuring and adaptation needs emerged, since domestic systemic banks were impelled to proceed to successive mergers as well as shrinkage practices through the introduction of voluntary redundancy schemes. These changes led to a substantial percentage of human resources being forced to early retirement, thus fostering all those conditions which render application of ageing management measures and promotion of active ageing in the Greek banking institutions imperative.

Therefore, in the context of measures taken to deal with the consequences of the economic and fiscal crisis and in light of “corporate social responsibility”, the issue of changing human resources management systems has become timelier than ever before (Kotsiris, 2003).

This article endeavours not only to analyze the existing situation regarding the phenomenon of active ageing in the Greek banking sector, but also to make suggestions as to how to develop a comprehensive consultation system with the aim of promoting transparency in decision making processes as well as collegiality and quality. The main objective is for the consultation system to be governed by general principles, stages of social dialogue as well as fields and levels, taking into consideration the conditions for the development of social dialogue mechanisms in addition to the aspirations of Greek bank administrations to demonstrate their socially responsible role.

1. CSR in the financial sector – The case of Greek Banks

Dealing with the issue of Corporate Social Responsibility (CSR) – a concept which ever more increasingly is associated with the image of businesses – seems timely now that international adverse circumstances render business competitiveness susceptible to evaluation on the basis of quantitative and economic criteria, as well as criteria related to corporate attitude to major social issues (e.g. unemployment, pollution).

CSR strategy serves the principles of sustainable development while creating benefits for the entire society, the environment and the business itself (Elkington, 1994). Specifically, CSR functions as an evaluation tool of business practices through multifaceted assessment of their economic, environmental and social activities and operations (Werther and Chandler, 2006). These constitute the “triple bottom line” (3BL) of a business, which is defined as “business solutions and choices, while being socially responsible, environmentally sound and financially viable” (McIntosh *et al.*, 1998). By adopting socially responsible practices, albeit seemingly costly, the company image is boosted and its efficiency is enhanced in the long run (Pamboukis, 2007), since businesses thrive in a prosperous society. Some people would argue that CSR is a gimmick of businesses, a marketing tool which will help improve their reputation or attract socially conscious institutional investors and consumers (Belidis & Kargidis, 2009).

We cite the example of the Italian “Banca Etica” which, amidst the economic crisis, managed to increase its revenue by 30%. It is a financial institution governed by moral values, which operates in terms of social awareness through funding projects and activities driven by social and environmental values. Reservations drastically increase when those supporting CSR comprise companies which are not reputed to be compliant with labour or environmental legislation.

Corporate Social Responsibility as a concern for the improvement of the working environment and employee satisfaction is expressed in adopting measures for a fair compensation system, exploitation of skills and initiatives, respect and solidarity, health and security at the workplace, achievement of work-life balance, etc.

Discussions about Corporate Social Responsibility in the banking sector date back to 2002, when the European Banking Federation in cooperation with the banking unions European Saving Banks and European Association of Cooperative Banks and the trade union UNI - Europa Finance (Banks) took the initiative – in the context of a wider dialogue – to promote CSR in the banking sector through special actions, since it is clear that the mission of a really viable bank cannot be exclusively determined in terms of maximizing shareholder value and satisfying customers; indeed, it should incorporate broader sustainability objectives (Gelder, 2006).

Organizations operating in the banking sector have eagerly introduced social responsibility practices into their business activities, thus cooperating with a wide range of NGOs, agents, associations, etc. A research study conducted by the Labour Institute of the Hellenic Federation of Bank Employee Unions has shown that Greek Banks are reputed to have been particularly responsible corporations within the Greek community, which is proved by their socially responsible practices, the awards they have received, their participation in domestic and international initiatives, the disclosure of social reports and their substantial donations to charity and public benefit projects (Lidorikis, 2006).

These “socially responsible practices” include investments in human resources, health and security, as well as change management (Kotsiris, 2003). Given the importance of “human resources” for the competitiveness of businesses, Greek banks are taking a series of initiatives in order to improve the conditions in which their employees work and live (Pamboukis, 2006). More specifically, domestic financial institutions are striving to become “first choice” employers for new entrants in the labour market by offering career prospects based on merit, but also by promoting education and lifelong employee training programmes. Special reference is made to fringe benefits and compensation packages, as well as performance-related remuneration schemes. It is generally accepted, though, that the initiatives above mentioned constitute much more an effort on the part of businesses to promote staff loyalty and, as a result, increase productivity than a rational application of social responsibility practices in human resources. This particular estimation is corroborated by the type of educational modules, such as the formulation and application of codes of conduct for staff as well as internal communication processes.

However, the conditions recently created in the business environment of the banking sector, as a consequence of the fiscal crisis, have altered both the intensity and the type of SCR practices applied by Greek banks. The prevalence of a business model oriented towards maximizing shareholder value and intensification of competition have impelled banking organizations to adopt new models of management and human resources rewarding (e.g., setting of targets), which have proved to have particularly adverse effects on the physical and mental health of employees.

It is worth noticing that, while the majority of Greek banks include the role of trade unions and/or collective agreements in their social reports, in reality only a few of them elaborate on the matter by placing emphasis on a wider range of trade union related issues, such as:

- employee participation in “managing change” (e.g. in the case of restructuring)
- adherence to collective bargaining and agreements
- the operation of European Employee Councils,
- participation of employee representatives in committees and the Board of Directors of the bank.

The rest of the measures regarding human resources management, which appear in social reports of banks, bear relevance to CSR to a varying degree, ranging from initiatives aiming at promoting volunteerism to commitments guaranteeing equal opportunities and work diversity. Rarely, however, do they make any reference to actions of crucial importance, such as measures targeted at ensuring work-life balance. Finally, extensive reference is made to health and safety issues and the self-evident compliance of banks with the existing regulatory framework (Efstathopoulos, 2009).

It is worth mentioning, though, that the economic and fiscal crisis have contributed to a rapid decrease of phenomena according to which CSR, in all business sectors,

used to function mainly as a marketing and public relations tool, since consumers now appear to have much more acute intuition for “corporate hypocrisy” (Klara, 2011; Quelch & Jocz, 2009). On the other hand, however, the view that CSR is a “redundant” flexible expense has become common belief nowadays, since businesses are being faced with serious cash flow problems and even have to struggle for survival. In general, the recession has led to a prevalent tendency of reducing the budget for CSR initiatives, especially at a time when demand for these very actions has increased considerably. Amidst crisis, therefore, businesses adopt a more conservative and defensive strategy (Ellis & Bastin, 2011; Harwood, Humby & Harwood, 2011; Yelkikalan & Köse, 2012). Njoroge (2009) indicates that, due to the crisis, CSR initiatives or policies, mainly in their social dimension, decrease in number and range, are postponed or even cancelled.

2. The dynamics of restructuring in the Greek banking sector and the issue of bank employee ageing

Globalization - over the last few decades in particular - has impelled the banking sector to proceed to intense restructuring and reforming. Furthermore, due to rapid developments in technology (Moerou, A. 2013) resulting in internationalization of economic transactions, there have been noticeable changes in the international banking system, which now plays a primary role in the modern financial system. Changes in our life style and purchasing habits, changes in the way banks operate now and changes in the market, as well, have imposed highly important competencies on Human Resources Management, since – after all – it is human resources that are being reformed. Every bank should set the objective of making the most of their human resources in order to improve competitiveness, create successful leaders and provide the organization with the competitive advantage of their human capital. According to Broker (2009), Greek banks will be able to cope with these new developments at a European level only if they apply new organizational methods, reduce operational costs and, mainly, improve the quality of their human resources. Due to the fact that the financial system presents increased difficulties as far as operations and products/services are concerned, it is imperative that employees be constantly trained in order to be equally competitive with their counterparts in other European countries. Prosperity and progress of banking employment depend upon factors such as expansion of the banking system into new markets and human resources’ adaptation to new prospects.

Modern employees should possess specialized knowledge and be able to take on responsibilities and take initiatives when this is needed. Employees have ceased being passive clerks responsible only for following orders and have now turned into active members of the Organization’s dynamics. Their attitude is determined by the mission, the vision and the values of the Organization but, also, on some occasions, by customer expectations (Grensing-Pophal, 2006). It is also typical that advances in

technology themselves determine different models regarding job description. Some posts have been altered due to the use of technology tools and are being re-evaluated in order to be in compliance with the demands imposed by the new reality (Britt, 1995).

On this basis, participation of financial sector employees in procedures related to the administration and operation of the bank, as well as its capital and gains, is emerging as a modern institution bearing social and economic value. Respect for the institutional rights of bank employees during the production process, the process of transference or merger of banking institutions, as well as the process of public bid submission for the acquisition of a banking institution, contributes to improving the quality of the employees' working environment as well as to increasing bank productivity, and it does it in a creative way. What is considered equally important is, of course, the degree to which bank employees participate in decision making processes of the administration, as well as in developments of social dialogue with the European Employee Councils and trade unions. All this is considered to additionally contribute towards increasing the quality of services rendered and restoring bank-customer relations disrupted due to the recent fiscal crisis.

According to a study conducted by the Labour Institute of the Hellenic Federation of Bank Employee Unions (2007), the most important characteristics of takeovers and mergers in the Greek banking sector are the following:

- in most cases serious problems appeared in “domestic takeovers” (mid 1990s), privatizations of state concern banks and their mergers with private banks, which acquired them without any significant participation of foreign capital or foreign banks whatsoever throughout the process.
- in the new “surge” of buyouts – the dominant part of which concerned cross-border and in some cases hostile takeovers – employees had to face some serious problems, such as job losses, which resulted in significant reduction in employment (approximately 25% of the original human capital of the bank acquired) mainly in the case of domestic banks¹, “voluntary redundancies” following takeovers and mergers in some other banks insecurity for the employees regarding the terms and prospects of retaining their jobs, authoritative behaviour on the part of executives of the acquiring bank to the staff of the acquired one; all this resulted in weakening sectoral and collegial consciousness.

1. For example, ALPHA BANK, after taking over Ionian Bank, showed a reduction in employment by 12.9% in 2002, in comparison to human resources of both banks in 1998. Former Ergasias Bank (taken over by E.F.G. Eurobank) reduced its initial human resources by 32%; former Cretan Bank (taken over by E.F.G. Eurobank) by 29% ; former Macedonia-Thrace Bank (taken over by Piraeus Bank) by 16.5%.

It is worth mentioning that voluntary redundancy is a programme for managing human resources in the context of the obligations imposed by the restructuring plan recently approved by the DG Competition of the European Commission. The ongoing economic crisis and mergers have forced domestic systemic banks - one after another - to introduce voluntary redundancy schemes. By reducing their staff Greek banking institutions are striving to curtail their operational costs to about 40% of their revenue by 2018. Further objectives of voluntary redundancy schemes concern staff renewal, reduction of average employee age by 8-10 years (the figure reflects the situation in four systemic banks), further modernization of banking transactions and operations (shift to new products and services).

When examining the parameters of voluntary redundancy schemes which have already been implemented by four (4) banking institutions one can come to the conclusion that:

- the right to take advantage of voluntary redundancy schemes applies to all members of staff on indefinite contracts. The only exception to this rule is the National Bank of Greece (NBG), which has drawn out four (4) different programmes to accommodate four different categories of staff based on criteria such as age, the right to retirement due to old age, etc.
- the severance pay intended for voluntary redundancy applies to all types of schemes and concerns a) statutory compensation, b) additional incentives based on age, marital status, length of service, etc.) other benefits (e.g. hospital care, counselling, etc.). It is worth noting that in the case of the National Bank of Greece additional incentives are only provided by two of the four programmes, while in none of them are there arrangements for bank loans to the staff, contrary to the other three banking institutions.

The figures themselves reflect the situation in the labour market of the banking sector highlighting the clear tendency for staff reduction. To elaborate on this, according to the Labour Force Survey conducted by the Hellenic Statistical Authority (EL.STAT.) on a quarterly basis, the number of staff members employed in the financial and insurance sectors during the fourth quarter of 2014 was 84.2 thousand, whereas for the same quarter of 2012 it stood at 101.5 thousand, which reflects the clear tendency of Greek banks to reduce their staff. As for the age distribution of those employed in the financial and insurance sectors, in the fourth quarter of 2014 employees aged 45-64 accounted for 35.6% of the total number of staff, whereas for employees aged 30-44 the respective percentage came to 57.8%.

The number of bank employees over 45 years is estimated to have drastically decreased in 2014 through the introduction of voluntary redundancy schemes by systemic banks, which strengthens the will or desire of employees to switch to other employment environments in the broader financial sector or - quite often - leave the labour market. In this specific environment of rapid changes, and witnessing the developments in industrial relations in the banking sector, the Interbanking Train-

ing and Documentation Centre has taken the initiative to carry out a project titled “Encouraging active participation of elder bank employees in employment”.

In recent years and in the context of an overall apprehension concerning the issue of demographic ageing of the population in Europe, greater emphasis has been given on issues regarding the position of elder people in the 55-64 age group in the labour market and, generally, their participation in socio-economic life.

An active ageing policy aims at creating greater employment opportunities for elder citizens in the European Union. To achieve this it is imperative that working conditions be improved, employees be better informed and retrained, as well as life-long training programmes be designed. At the same time, it is necessary that taxation and benefit systems be revised so that elder individuals are encouraged to work for a longer period of time.

The object of the project mentioned above was to initiate support actions for elder citizens who often face a series of problems, such as work-related stress, risk of losing their jobs as a result of continuous mergers and changes in proprietary status, reduction of benefits and salaries, etc.; these problems need to be addressed so that the position of elder citizens in the labour market may be strengthened through a number of actions aimed at educating/training them, certifying their skills and competencies and facilitating their mobility in the broader financial sector.

In order for these objectives to be achieved a primary research study was carried out among those directly involved in the banking sector, that is, bank employees, Human Resources Managers in Greek banks and representatives of first-level bank employee associations. During the primary research 70.3% of respondents were working in banking institutions. At the same time, a particularly large percentage of them were in the process of taking advantage of the voluntary redundancy scheme introduced by their banks. Only 3.8% of respondents had either been dismissed, or taken a sabbatical or were already out of work.

The most important findings of the primary research carried out among bank employees are the following (Interbanking Training and Documentation Centre, 2014):

- Concerning the importance of individual needs of bank employees in the 50+ age group, 46.2% of the respondents stated that banking institutions were taking into consideration these needs to a varying degree, ranging from adequately to highly.
- About 38% of male samples sustained that there should be more favourable terms in their current jobs, whereas 44% of female samples said that they would wish to stay on doing their jobs under the existing terms.
- The overwhelming majority of respondents (73%) were opposed to the likelihood of working part-time until retirement age. This pattern remains the same for both male and female samples.

- Finally, bank employees in the 50+ age group stated that they would wish to receive certified training - provided by Interbanking Training and Documentation Centre Support Structures - so as to remain in the labour market (15.7%), whereas 12.4% of respondents expressed their need to attend continuing vocational training programmes. Moreover, other services were also desirable, such as support programmes for employee mobility in and out of the banking sector (9.7%), information about new employment opportunities (8.1%), as well as counselling (8.1%).

When it comes to factors which hinder participation of bank employees in the 50+ age group in training programmes, respondents made particular reference to the following:

- Lack of incentives, since the seminars offered are either not subsidized, not recognized, or not offering certification
- The scheduling of seminars
- Lack of free time, considering that most elder employees have family commitments
- Primary research has made known the notion that elder employees can respond to the demands of their work to a high degree, a fact which, on the other hand, comes partly in contrast to the trends prevailing in the conditions of the labour market in the banking sector; according to these trends, the average age of bank employees is low, on one hand, while, on the other, the number of employees participating in voluntary redundancy schemes is high. This fact reflects and corroborates the findings of secondary empirical research, according to which no significant attempts have been made to retain elder employees in the labour market of the banking sector.

However, the most significant element that derives from primary research and concerns bank employees themselves is the fact that the overwhelming majority of samples did not attend any continuing vocational training programme whatsoever in the last three years (from 2012 to 2014). This is corroborated by a number of inhibiting factors, such as lack of interest on the part of employees themselves to upgrade their qualifications and lack of time. On the other hand, banking institutions themselves or bank employee trade unions do not run training programmes tailor-made to the needs and specific characteristics of elder employees, nor do they make any attempt to motivate them to participate in such programmes.

3. Proposal for active ageing policy implementation in the Greek banking sector – facilitation through structured social dialogue and the involvement of CSR

Despite the magnitude of the problem in Greece, the issue of active ageing appears on the national political agenda basically via the European political agenda. It is

estimated, however, that for Greece, as well as other EU member states, managing active ageing, that is, supporting and maintaining employment of elder work force, is particularly important in order to sustain economic growth, social protection systems and the standard of living in general.

In the present-day situation and on the basis of the characteristics of the Greek labour market, the first priority of employment policies is obviously to reduce unemployment regardless of age and to better exploit human resources in general. In a long-term perspective, however, increasing participation of elder employees in the labour market presupposes significant policy changes in many fields, such as education, the labour market, mechanisms securing equal opportunities and social security system organization. If banking institutions adopt such measures, this may contribute to confining or even eliminating the causes which lead employees of the target age group out of the work force.

However, it is worth noticing that adopting measures aiming at managing active ageing effectively should, in no case, be done in a discontinuous or incidental manner, nor should it last for only a short period of time; on the contrary, it should be a continuous process, which – in order to bring successful results – calls for constant monitoring and evaluation, valid designing and implementation and, most importantly, full support by all parties involved (Management, Human Resources Management, executives of other departments, as well as employees themselves).

In order to enhance active ageing by providing better and longer lasting careers to elder employees several reforms are needed:

- Change of mentality, which, in turn, will help shape fair and appropriate treatment of elder employees;
- Reform of the management practice implemented, so as to enhance and exploit the advantages of elder employees;
- Reforms in the working life, which will create an amicable working environment for all generations of employees;
- Retirement reforms, which will take into consideration major individual differences among elder employees, thus providing flexible retirement eligibility age limits as well as financial incentives in order for employees to prolong their working life;
- Organizational reform in order to improve cooperation of various agents and factors that influence the quality level as well as the extension of working life;
- Reforms in health care services in order to strengthen proactive and preventive occupational health services.

Age management practices applied at the workplace in Europe reflect the fact that businesses address ageing issues either under the concept of “problem solving” or that of “prevention”. Because of poor information about ageing issues, businesses deal with the situation on a pretty tight budget and by lowering job requirements

for elder employees (“problem solving” approach). Through perceiving ageing more as a challenge or an opportunity, companies which opt for prevention take care to reinforce the development of individual resources among their staff and facilitate transgenerational learning. The best case scenario, in the context of age management, is to adopt a lifelong approach and offer equal opportunities to all generations (Ilmarinen, 2012).

Lack of relevant literature corroborates the fact that no active ageing management measures are being taken in the banking sector, either by employee associations or by banking institutions. On the contrary, banking institutions take discontinuous measures primarily aiming at contributing to a harmonious work-life balance for their employees and/or guaranteeing health and safety conditions at the workplace, regardless of the age group the staff belong to.

Therefore, initiatives to implement projects related to the issue of active ageing - through a multifaceted approach with regard to actions taken and target groups involved – are not only a prerequisite for the maturation of integrated strategies in the particular sector, but also indicate that the development of a model for social dialogue among all parties involved (government officials, social partners, employees) should be opted for with the view to promoting regulations and initiatives so as to manage elder employees effectively.

At times of growth there are often cases of consensus, good practices and mutually beneficial social dialogue, which are absolutely anticipated, since for as long as there are gains to share, the cases of win-win negotiations appear more frequently. On the contrary, at times of crisis, trade unions often raise the issue of allocating losses, costs and loss of benefits (concession bargaining) in order to secure or even spare employment in the respective sector.

As further elaborated in a report on Social Dialogue, good practices in the banking sector (Georgakopoulou, 2012) - undertaken in the framework of the project Di@logos.net - in countries where the tendency for staff redundancies due to restructuring pre-existed, trade unions have already gained significant experience in making interventions in order to prevent or minimize layoffs through social dialogue. However, at times of prolonged crisis, when employment is under strong pressure combined with high unemployment rates and restructuring efforts in the banking sector, the conditions created are particularly adverse; in fact, they constitute a potentially explosive mixture, as in the cases of Spain, Greece and Portugal.

In these countries, similar to Belgium and Italy, employment protection has always ranked high in the priorities of trade unions, which have strived to succeed in reaching balanced and consensual agreements through social dialogue procedures in order to limit adverse consequences on bank employees.

In most countries the banking sector has traditionally been characterized by high levels of stable employment and low rates of flexible employment forms (e.g. temporary or occasional employment, etc.) in contrast to other sectors of the

economy. Today, under current circumstances imposed by the fiscal crisis, we are witnessing a clear trend for employment destabilization combined with reduction in investments, ongoing or impending restructuring in the banking sector and, in some cases, direct government interventions in order to weaken labour legislation on issues of mass redundancies and introduction of flexible employment schemes. Equally important is the pressure exercised to ensure increased labour mobility - both internal and external; these pressures can become particularly intense in cases of takeovers and mergers and are combined with the promotion of international activities and procedures aiming at outsourcing operations.

In parallel, bank administrations, in their attempt to reduce labour and operational costs in general, are introducing measures aiming at restructuring working time as well as salary development policies through expanding labour cost variables at the expense of constants (e.g. by setting individual quantitative targets and arranging salary rates based on performance, etc.)

In this context, bank employee trade unions are opposed to such developments demanding weighted solutions when managing structural changes and addressing employment problems. At times of crisis there is an increased need for centralized agreements (at sectoral and/or inter-professional level) aiming at applying long-term, weighted solutions when dealing with unemployment, solving core economic/social problems, etc.

In the time preceding the onset of the crisis, social dialogue in the banking sector had gone through several stages. For decades there had been strong government intervention in the sector combined with the absence of an institutionalized negotiating counterpart of the Hellenic Federation of Bank Employee Unions at sectoral level, which had led to industrial relations becoming heavily subject to political interference. The attempt to resolve any labour and insurance problems had generally been based on direct dialogue or, quite often, on trade union confrontation with the government or even government intervention in negotiations.

Despite the serious problems related to shedding government dependence in the decade from the mid 1990s to the mid 2000s, several common bargaining grounds between the Hellenic Federation of Bank Employee Unions and the administration of banking institutions were found. At that time there were several innovative interventions, such as: the study and pilot implementation of a 35-hour working week in the banking sector; approaching issues such as gender equality, bank security, problems related to modernization of the banking system, education; and, the bilateral Sectoral Labour Observatory, which operated as a statistics service of the sector in matters of employment and industrial relations. Unfortunately, this Observatory operated only for a short period of time.

Around the mid 2000s and as a result of the first surge of buyouts, mergers and privatizations in the sector, all interventions mentioned above - gradually weathered and stopped, since the state had de facto lost its role as the prime employer in the banking sector and, consequently, its role as the privileged counterpart of trade

unions in negotiations and its power to influence directly and decisively decisions made by private banks. Meanwhile, private banks, which now dominated the sector, were not interested in investing in any procedure of meaningful dialogue whatsoever, at the sectoral level.

Today there are three (3) basic aspects in the national industrial relations systems (Georgakopoulou, 2012):

Collective bargaining levels

In recent years there has been a clear tendency for decentralizing collective bargaining at industry level on the grounds that, this way, “better and faster adaptation of employment to the real needs of businesses and markets” is achieved, particularly when the latter is under pressure by the crisis and operate in a state of deregulation. Decentralization in Greece is unilaterally promoted by the Government with a view to eliminating sectoral agreements to the benefit of collective agreements at industry level, or to establishing overall prevalence of individual agreements, which has been pursued by certain employers in the sector over the last few years².

Union density

Trade union density in Greece is as high as 85%, due to a successful attempt on the part of the Hellenic Federation of Bank Employee Unions to set up trade unions in all banks. In long-established, traditional big banks, mainly those formerly of a state character, union density reaches 100%. However, in private and, in particular, foreign banks, union density is significantly lower. Trade unions themselves strive to attract new members, but also to retain their credibility among existing members, who, due to the ongoing crisis, feel particularly in need of union protection. Therefore, the bigger the protection trade unions provide to their members (through satisfactory Collective Employment Agreements and effective interventions in all areas), the higher the probability of their retaining already existing members and having new ones enrolled, thus increasing union density.

Percentage of sectoral collective coverage

In our country sectoral Collective Employment Agreements cover at least 70% of employees, a percentage which extends to 100% by decree. That was the case until the end of 2011, when the possibility of sectoral CEAs to extend was suspended until 2015.

2. In Greece, the principle of favouring convergence between Collective Agreements at sectoral and industry level was abolished at the end of 2011 by law, effective until the end of the Support Programme EU-ECB-IMF in 2015. This accommodated a number of Collective Agreements at industry level in the banking sector, on the basis of which salaries can decrease without generally impacting minimum sectoral rates.

In the Greek banking sector collective bargaining is mainly carried out at national level; employers are represented by the Greek Bank Association, despite the fact that the banks deny their role as employers, whereas employees are represented in negotiations by the Hellenic Federation of Bank Employee Unions. Collective bargaining and collective agreements at industry level, concluded between the most representative individual trade union and the respective employer, until the end of 2011, had only a supplementary role to that of sectoral CEAs and regulated issues such as:

- Additional fringe benefits not foreseen/provided for by sectoral CEAs, depending on employee position in the bank, specialization, special conditions or job requirements (e.g. tellers, dealers, computer scientists, etc.);
- Fringe benefits for bank employees related to issues such as holidays, family support, etc.;
- Additional service recognition (in relation to sectoral CEAs), training, team bonuses and (rarely) systems for performance evaluation, promotion and career advances to executive level;
- Certain absolutely necessary exceptions to the sectoral (institutionalized) working time scheme, which only concerned certain individual branches and executive services, on the basis of minimal frameworks and rules set by the sectoral Collective Employment Agreement of 2006-2007.

Consultation mechanisms have been developed and consolidated in the banking sector both at sector and industry levels. Of course, now that the sector is being adversely affected by the economic crisis, participation in social dialogue procedures has decreased whether such processes are formal or informal. Formal procedures, for example, include voting to elect representatives at various levels of union representation, as well as direct voting on highly significant matters. Informal procedures include active participation of employees in work meetings, training groups, cultural issues, planning, etc.

Although there is an institutional distinction between formal and informal participation, these two types are interdependent, and moving from one type to the other is absolutely permissible and often deliberate in order to create a meaningful consultation culture. In order to duly understand and promote consultation culture, one needs to perceive employee participation as an overall strategy, which works like a network or a system; a mere change in one element can bring about changes in a number of coordinates. Similarly, exclusion of one group of employees can have an impact on relationships among all other groups.

In the context of collective bargaining, an active ageing promotion strategy is reflected in adopting regulations and implementing actions which enhance employment of elder employees while protecting them against labour exclusion. These measures are mainly related to the following:

- elimination of direct and indirect age discrimination practices in recruitment, dismissal or professional development of employees;
- work restructuring and improvement of working conditions for elder employees;
- provision of information and counselling services to Human Resources Managers on ageing management issues;
- implementation of actions targeted at training and improving employability of elder staff.

An integrated Social Dialogue process for the preparation of the programmes mentioned above is imperative, following stages precisely described in guidebooks and methodology textbooks. In total, there are **seven typical stages** which, ideally, run through almost every participation procedure. They can also be used as a check list by those responsible for the coordination of the procedure in order to monitor if all elements have been considered or whether some other parameters should, perhaps, be taken into consideration.

Stage 1: Preparation – Clarifying social dialogue mechanisms

It is the first stage of the procedure and the one which will eventually define the quality and dynamics of the final result. It is very important to precisely determine all participants on the basis of their representation and the extent of their involvement in the subject of consultation.

Stage 2: Communication with potential stakeholders

It includes targeted communication with agents who may potentially become involved in social dialogue procedures. This targeted updating is key to the success of consultation, since it lays the foundations so that everybody can participate in decision making processes. Particularly important for employees to be informed employees, since their elected representatives have a lead on this matter.

Dissemination of information, however, is more than a mere technical process. The way information is conveyed and disseminated configures the perception of every view to be tabled in the next stages of the process, thus laying the foundations for trust and opportunities emanating from it. Information has, of course, one more peculiarity: it can exist on its own. Information per se can have its own value and it does not need to be connected to the next stages of the participation process.

Stage 3. Implementation of social dialogue mechanisms

Such mechanisms include the operation of working groups, meetings, open and/or closed discussions, open consultation events, etc. The expertise of participants is collected both orally and in writing and is directly discussed at periodic meetings or

regular working groups as, well as through the Internet. Before every consultation, however, any viewpoints and information to be passed on to participants at the outset should be checked.

Stage 4. Decision making

It is reasonable to think that consultation results will be evaluated by the Federation so that it might reach the final decision.

Stage 5. Employee updating

The decision must be followed by informing employees about all ideas and suggestions presented, whether they were actually accepted or eventually rejected, justifying the reasons why those decisions were taken.

Stage 6. Implementation of the decision

Implementation of the decision should start immediately. Actually, in many cases, the role of employees should not be restricted to that of the recipients of the decision, but it should be extended to decision implementation.

Stage 7. Evaluation –Conclusion

This stage includes evaluation and symbolic conclusion of the consultation and this practice attributes the importance deserved to everything achieved so far and prepares the ground on which problems and shortcomings arisen during decision implementation can be identified and assessed.

The basic challenges most trade unions in the sector are facing today, which are worth constituting **fundamental modules in consultation**, are the following:

1. **Employment protection for elder employees** while, in parallel, **boosting the necessary solidarity** among different **generation employees** in the sector. In this context, it is imperative to seriously consider the necessity of implementing reliable diagnostic systems, identifying and meeting the needs of the target group, as well as guaranteeing equal opportunities of their members to accessing training.
2. **Management of working time of elder employees.** Asserting a more balanced and amicable working time scheme for employees without unauthorized time extension, or unpaid overtime, is undoubtedly the concern for all parties involved in the programme. Employers, however, raise the issue of flexible working time management as a means of sparing jobs. This flexibility, when used systematically and massively in order to reduce labour cost and prevent

dismissals (destabilization – individualization of working hours, reduction in working time, reflected in salary decrease, staff availability, job rotation, etc.), has serious consequences on the total revenue of employees, as well as their personal, family and social time, which is being destabilized and needs to be organized.

3. Education and training of elder employees. **Proper education and training, as well as reliable career management systems as a means of providing elder staff with a multitude of skills, thus safeguarding their employment during the crisis**, is a self-evident challenge. Investing in employees, guaranteeing continuous and reliable training support for all of them through the use of suitable systems, which can diagnose and respond to their needs as well as certify their competences, is a fundamental priority for trade unions. In many cases (e.g. Italy, Belgium, Portugal) this issue has repeatedly been the object of social dialogue resulting in specific frameworks and institutions.
4. Revenue protection and salary flexibility for elder employees. The **issues of guaranteeing employee income** in relation to the cost of living, austerity measures and policies for freezing or cutting salaries are the concern of most partners. Direct legislative government interventions in order for banks (the majority of state-owned, but private ones as well) to curtail salaries - contrary to what has been set by collective agreements – constitute a serious challenge and lead to friction.
5. Enhancement of **issues concerning Health and Safety** in the workplace.
 - **Full implementation of the European and national legislation** for employee protection;
 - **Dealing with work-related stress** and exacerbating factors (e.g. job insecurity, pursuit of targets and additional income (bonuses), etc.)
6. The role and **scope of collective bargaining** in the sector against government interventions, which either change data radically or cause tensions and serious problems in the social dialogue (mainly in Greece) on issues which concern active ageing management. Social dialogue should be promoted to the upper sectoral level so that long-lasting, comprehensive solutions, suitable frameworks, criteria and principles for dealing with any specialized business problems can be guaranteed. Furthermore, a crucial parameter in promoting social dialogue is the existence of a F42.2 under ICD 10 stable, institutionalized negotiating counterpart of the Hellenic Federation of Bank Employee Unions at sectoral level, which will guarantee systematic consultation on sector issues.

4. Conclusion

The dialogue between managers and employees should be a continuous procedure, since managers are those who organize production and work processes as well as the work tasks of every employee. It is the managers who take all decisions concerning changes in work organization. Managers are also responsible for health and safety issues including evaluation of dangers and risk assessment.

Adapting work to the skills, competencies and health status of an employee should be a continuous and dynamic process based on adequate risk assessment. In the case of elder employees, adapting work to their health status and their needs should not be an additional burden on managers' shoulders. This is the reason why awareness of managers and supervisors on issues concerning employee age should improve.

In addition, public authorities and all partners involved should contribute to taking such measures. Those who are responsible for policy design at all hierarchy levels and ranks should realize the urgency of the situation and adopt a senior-age oriented approach, for example, by supporting those companies which adopt policies in their internal practice that are amicable to elder employees or by laying the foundations for sharing best practices among economic agents. Trade unions, NGOs and social partners can also play a role by focusing on how to improve collective awareness of the consequences of demographic challenge in society and by mobilizing the social groups concerned.

The aforementioned highlight the socially responsible character of Greek banks. Based on this character, and through actions of social dialogue focused on active ageing issues, we can increase human resources' satisfaction and improve the working environment. Furthermore, F42.2 under ICD 10 proposed is also applicable in other branches (provided necessary adaptations are made); therefore, it provides a useful tool for the policy applied to deal with worsening labour relations in the background of current circumstances.

In conclusion, a socially responsible institution has the capacity to attract and retain specialized work force, to take lifelong training action, to concede competencies and powers to employees, but also to keep them as best informed as possible regarding the institution's course and targets.

Moreover, a banking institution socially responsible to its human resources strives to promote better work/family/free time balance, workforce diversity, equal compensation and career prospects for all, naturally for women employees as well, profit sharing, as well as systems providing share capital equities. The institution also concerns itself with issues regarding employability and guarantees the principles of non-discrimination and non-exclusion. Finally, managing change includes measures for socially responsible restructuring that balances the interests and concerns of all those afflicted when a business proceeds to staff redundancies, merges or close-downs. All this concerns the internal dimension of CSR, as opposed to the external one, which applies to the business' relationships with its customers, suppliers, and the public in general, as well as to management of natural resources and protection of the environment.

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