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Parliament: Pietra Rivoli lectures at the "Forum Future of Labor"

Straight refusal by Khol towards Basic-security Model

Vienna (PK) – The economy is changing. Limitations are disappearing. Speed is increasing. What does all that mean for our world of labor?

- Today the "Forum Future of Labor" at the Parliament organized by the Management Club" and the "Competence Call Center" looked into answers to these and many more questions concerning the Globalization of Economy.

"Labor is our Future" said the president of the national council Andreas Khol at his greeting and gave a straight refusal towards a "Model of basic security for non-workers, of which many are dreaming". "This will not happen", said Khol.

Pietra Rivoli: Long term contracts of employment secure productivity. The main lecture was given by US-scholar Pietra Rivoli, author of the worlds best seller "Travels of a T-shirt in global economy". She was introduced by the moderator of the Forum University Professor Michael Meyer (Vienna University of Economics and Business Administration) as a stroke of luck of an academic to whom is paid tribute equally by the academic world and the popular Press.

Her book is rich in content and still easy to read, without lapsing into painting the world as black and white. It is exciting and exceedingly entertaining to accompany the economist at her research at a cotton farm in Texas and a spinning company and sewing factory in Shanghai until we travel back with the T-Shirt to the United States on a container ship. Here the globally produced Product enters the consumer market until it arrives in Tanzania via the, in the meantime globalized Secondhand Market.

The starting point of Pietra Rivoli's lecture was the thesis that the ideological "war" between the American market model and the social market-economy of European coinage is over. It has not produced a clear winner. Capitalism as we know it today allows many different forms of contracts, state regulations and a combination of these between employer and employee.

Mrs. Rivoli directed the Forums interest towards looking for creative arrangements between employer and employee. Which - as Rivoli stressed repeatedly - would bring advantages to both sides. This is the conclusion of her researching the "biography" of her T-Shirt in which she got to know different Branches, Industries and People in many different labor conditions. First of all one has to disband the notion that the cost for protecting employees is solely burdened on the employer, the economist demands. Talk about the „Zero-sum game“ concerning labor costs is a myth.

The reason for this is that in the global labor market you do not have unemployment and the demand for jobs only, but also the frantic search of companies for talented and highly qualified staff-members. It is beneficial and more and more necessary for companies to allow long-term contracts. Only in this way talent can grow and innovations can successfully be prepared and implemented. Mrs. Rivoli said that only in this framework of secure and long-term strategy can the investment in advanced training for employees bring long term profit to a company.

As a distinct example for this kind of strategy the author explained the contract of a Microsoft Top-manager, who draws a comparatively moderate basic income. But a high premium is allowed to him for not leaving the Company before an agreed on time span. This in the US typical Management contract is interpreted by the academic as proof that successful companies spend a lot of money to avoid competition on the job-market. Employers in developed countries would be well advised to focus on long-term employment and advanced training for their members of staff. And they should adopt flexible wage models to avoid competition with the cheap labor in India or China. The heightened productivity and innovative ability in the course of long-term employment is a creative example of new employment contracts through which employer and employees can profit says Rivoli.

Flexible, creative and individual models are the order of the day.

Subsequent to the presentation of Pietra Rivoli a prominent discussion group came together lead by University Professor Michael Meyer consisting of Janet Kath (CEO Interio Austria), Irmgard Proisinger (Trenkwalder limited) Christian Domany (CEO Airport Vienna), the personnel consultant Othmar Hill and Thomas Kloibhofer (CEO Competence Call Center).

From the point of view of Mrs. Proisinger, the future of the labor world will be affected by flexible remuneration models, which take power components more into count. And it also will be affected by the work for Projects and lessened job security.

Because it is difficult to keep the outline on a quickly changing job market more job agencies will emerge to provide for "quick matching".

For it is essential to dispose of the right staff at the right time at the right place.

The CEO of Interio Austria, Janet Kath, is convinced that to be successful the factor flexibility will be of essential importance in the future.

To realize this political attention has to be centered on creating basic parameters.

For example a number of retirees are working in her company who would like to earn some money in a marginally occupied position, but after all tax deductions hardly anything is left of their wages.

Thomas Kloibhofer, who organized this event together with the Management Club, attached some importance to thinking about the consequences that changes in the economy have on the labor world.

As CEO of a Call Center that runs around the clock and employs more than 1,000 people he constantly masters the challenge of reacting to the dynamic changes of economy. From talks with his employees he discerns that for them the liberty to chose when they will work is most important. He misses adequate basic frameworks. Today's policy partly was coined when still 80% of labor was in heavy industry. He reasons that there is an urgent need for action to find sectoral solutions.

Christian Domany (Airport Vienna) spoke about the strong continuity in the area of members of staff in his company.

Among others this is achieved by employees participation for all employees in form of a trust and 52 flexible shift-models which center around the personal needs of the persons employed. It also is profitable in view of business management, he affirms. For him the future is in the flexibility of work-hours per week. Some employees would like to only work at weekends, which is not possible at the moment because of the

collective contract and legal restraints.

Othmar Hill (Hill International) pointed out, that in the future people will not and would not want to constantly change their jobs because of their need for a certain level of security.

And also for companies it would not be advisable to have a quick change of personnel, because knowledge will constantly be lost. Especially near to his heart is the refinement of career counseling which, in his view, in Austria is totally at a loss. Many people "meander through life" without knowing which talents they possess and in which way to use them. Notably general life-management is missing including an individual career planning and adequate support. (End)

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