

Professional “downgrading”: crisis or opportunity? “Kurier”

Vienna, Austria – Continuous career advancement is a thing of the past; these days the career ladder can go down as well as up.

Why does the lack of prestige and salary hurt, and what can be done about it in the future?



It happens in all industries and across all continents – after a merger or a large-scale restructuring, an ambitious member of the management team ends up two steps down the career ladder. When the economy is weak, professional “downgrading” is common, and reorganisations render management positions unnecessary. Board members and middle management alike know the consequences: generous salaries and benefits, power, social recognition - all gone in one fell swoop.

Even when someone wants to come to a downgrading arrangement, it is not always easy to obtain a job at a lower level. If an Executive Director, for any reason, wishes to change jobs and work in a medium-sized company, he is commonly confronted with the argument “over-qualification.” This is also a problem for many academics and specialists seeking work. Potential employers believe that these candidates will be gone at the first sniff of a better offer.

“One mistake – many rely on performance only”

Continuous advancement is a thing of the past – what does this mean for salary increases?

Most people have achieved about 90% of their career potential at the end of their thirties. They have received about the same salary for ten years. Successful people earn a gross annual salary of 70 to 80,000 euros in their early thirties.

Why does that happen?

There are three conditions for getting a pay increase: performance, a relationship of trust with the boss and network, and if they're looking for a new job. A lot of people make a common mistake: they create their careers relying only on performance. By your mid-thirties, you're rapidly growing in the hierarchy – and that's where it ends. At the next level, I care about your network as much as your achievements. You have to fit into the team.

How can we increase our salaries?

Many people try to achieve this with performance, but that is difficult. In 2009, someone who was working in sales could achieve many good things, but nevertheless the revenues collapsed by 50-70%. If a company restructured or went bankrupt, many employees found it difficult to get a pay increase in the next job - because they had no network outside their previous employer. When my last employer went bankrupt, all the personnel was hired by our competitors, because those employees had such good contacts.

How can we build up a network with our competitors?

Always be friendly and treat them as equals - you never know with whom you may someday cooperate. I know people who relocated from Vienna to the countryside, and improved their technical background there. You need to be a very good negotiator.

So we should start with higher salary expectations?

Yes, many people do this. If you earn a lot of money and expect salary cuts, it's best to show all your cards, including pay slips. If your expected salary is common on the market, you will get it. If it is not, you should say that you're just expecting as much.

According to studies, young employees focus less on salary. Can this forecast a career change?

Probably. There will be a few outstanding employees who can search for another job easily, and very many who will languish with a lower salary. You need performance, reliability and a strong network to make things work.

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Conrad Pramböck is the Head of Compensation Consulting at [Pedersen & Partners](#). Based in Vienna, Austria, he is responsible for consulting companies on all aspects of compensation, including providing companies with up-to-date market information on salary ranges and design of bonus systems across all industries and geographies. Prior to joining the firm, Mr. Pramböck held several senior positions in international consultancy firms. He started his career with a German Consultancy firm working in management consulting and later in the Compensation Consulting business unit based in Austria. For the following seven years he worked with one of the top Austrian Executive Search firms as the Head of Compensation Consulting. He was responsible for all international compensation consulting activities and developed and maintained an international compensation database in 40 countries.

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