

## **MANAGERITALIA SURVEY**

### **1. INTRODUCTION**

The aim of this survey is to collect information on the characteristics of Italian managers, the firms they work for and obtain a rich description of the incentives managers face, both explicitly (e.g. performance bonuses) and implicitly (e.g. importance of personal relationships for career progress). In particular, we collect information on:

- (1) Managers' demographics, education, family background and risk aversion
- (2) Firms' ownership structure and multinational status
- (3) Hiring and firing practices
- (4) Career progression path within the firm: appraisals and promotion tracks
- (5) The structure of pay schemes

Our sample of managers is selected from the member directory of Manageritalia, a professional association of managers operating in the trade and services sectors. Manageritalia members account for 96% of all managers in the trade and service sectors. These, in turn, make up for 20% of all Italian managers.

Manageritalia member directory contains 22,100 managers employed by 8,739 firms. Of these, we sample from the 2,012 firms that can be matched with the Italian Company Accounts Database<sup>1</sup> – a firm level data set containing information on balance sheets, firm demographics, and employment. The information is provided by commercial banks and covers all the banks' largest clients. The Company Account Database and, a fortiori, our sampling universe is skewed towards large firms.

To select our sample, we start from the 2,012 firms for which balance sheet data is available. We further restrict the list to managers employed in the three main operational areas –general directorate, finance, and sales—and randomly draw one manager per firm in either of these areas. The final sample contains 605 each of general directors, finance directors and sales directors, for a total of 1,815 observations.

The selection followed the purpose of the study “Italian Managers: Fidelity or Performance?” by Bandiera, Guiso, Pratt and Sadun, which was presented at the X Fondazione Rodolfo DeBenedetti Conference , “*The Ruling Class*”, held in Gaeta in May 2008.

The administration of the survey was outsourced to Erminerero & Co., an established survey firm located in Milan. All 1815 sample managers were contacted by phone to schedule a subsequent phone interview, administered by a team of 35 analysts trained by Erminerero & Co. The response rate was 33%, with an average duration of 21 minutes per interview. The data thus contains 603

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<sup>1</sup> Data on balance sheets are not available in this dataset.

observations, equally split across the three operational areas.

The average size of the firms included in our sample is 240 employees (50 at the median). In terms of ownership, 48% of the firm in our sample are family or founder owned, 12% are privately owned, 8% are state owned. We also have a sizeable proportion of firms owned by dispersed shareholders (i.e. no party detains more than 25% of the company's shares) and private equity backed firms (8%). Most of the firms included in the sample (58%) are affiliated with a multinational. In 21% of the cases, the multinational is headquartered in Italy.

The Manageritalia dataset only covers the service sector. Among services, specific industries are over represented, such as Wholesale (45% of the sample) and Business Services (11%) and Retail and Specialized IT services (4%). The survey is also skewed in terms of location. Most of the sample refers to firms incorporated in Lombardy (58%). However, the survey also includes a fairly high number of firms incorporated in other Northern and Central regions such as Veneto (8%), Piedmont (5%), Emilia (9%), Tuscany (5%) and Lazio (9%)

## 2. VARIABLES DESCRIPTION

- **Cod**  
*manager identification number*
- **Firm id**  
*firm identification number*
- **mans:**  
*task /division:*  
 1=General Management  
 2= Finance/ Administration  
 4/7= Sales
- **d1\_1:**  
*What is your role in the firm?*
- **d1\_2:**  
*Department\Division:*  
 1= Administration/ Direction  
 2= Logistics  
 3= Marketing  
 4= Finance  
 5= Human resources
- **d1\_3:**  
*How many years have you worked for this firm?*  
 1=one year or less  
 2=2-3 years  
 3=4-5 years  
 4=6-7 years  
 5= 8-10 years  
 6=11-15 years  
 7= more than 15 years
- **d1\_4:**  
*How many years have you held this (current) role in the firm:*  
 1=one year or less  
 2=2-3 years  
 3=4-5 years  
 4=6-7 years  
 5= 8-10 years  
 6=11-15 years  
 7= more than 15 years
- **d1\_5**  
*How many times per month do you usually work during high days (Saturday and/or*

*Sunday)?*

- 1= Every week
- 2=twice per month
- 3= once per month
- 4= rarely
- 5=never

– **d1\_6**

*How many hours do you work per week (on average)?*

- 1= less than 40
- 2= about 40
- 3=about 50
- 4= about 60
- 5= more than 60

– **d2\_1c01**

*Does the firm provide you company car?*

- 0= no
- 1= yes

– **d2\_1c02**

*Do you have flexible working hours?*

- 0= no
- 1= yes

– **d2\_1c03**

*Does the firm allow you to telework?*

- 0= no
- 1= yes

– **d2\_1c04**

*Does the firm offer training courses?*

- 0= no
- 1= yes

– **d2\_1c05**

*Does the firm allow you to take sabbatical leave?*

- 0= no
- 1= yes

– **d2\_1c06:**

*Does the firm provide you health insurance?*

- 0= no
- 1= yes

– **d2\_1c07**

*Does the firm provide you life insurance?*

- 0= no

1= yes

- **d2\_1c08**  
*Does the firm cover living costs (housing and related expenses)?*  
0= no  
1= yes
  
- **d2\_1c09**  
*Does the firm provide you work instruments?*  
0= no  
1= yes
  
- **d2\_1c10**  
*Does the firm share dividends?*  
0= no  
1= yes
  
- **d2\_1c11**  
*Does the firm provide you mobile telephone?*  
0= no  
1= yes
  
- **d2\_1c13**  
*Doesn't the firm give you bonus?*  
0= no  
1= yes
  
- **d2\_1c12**  
*Does the firm provide you other benefits?*  
0= no  
1= yes
  
- **d2\_2**  
*Do you have access to bonus system?*  
1= yes  
2= no
  
- **d2\_3**  
*The amount of bonus you received was what percentage of your salary?*  
1= 5%  
2=10%  
3= 20%  
4= 30-40%  
5=50%  
6= more than 50%
  
- **d2\_4c1**  
*Is the bonus determined by achievement of individual goals?*  
0= no

1= yes

– **d2\_4c2**

*Is the bonus determined by achievement of group/team goals?*

0= no

1= yes

– **d2\_4c3**

*Is the bonus determined by achievement of firm goals ?*

0= no

1= yes

– **d2\_4c4**

*Is the bonus discretionary to the firm?*

0= no

1= yes

– **d2\_4c5**

*Is the bonus determined by other factors?*

0= no

1= yes

– **d2\_5**

*Do you think that the bonus was calculated in a clear and transparent way?*

1= yes, very clear

2= yes, enough clear

3= not much clear

4=not clear

– **d2\_6**

*Which part of your salary you would prefer to be fixed and which to be determined by the achievement of individual goals?*

1= fixed 100 & variable 0

2= fixed 90 & variable 20

3= fixed 80 & variable 40

4= fixed 70 & variable 60

5= fixed 50 & variable 100

6= fixed 0 & variable 200

– **d3\_1**

*How many times does the firm evaluate managers?*

1=never

2=once per year

3= every six months

4= every three months

5=it depends, random

– **d3\_2c1**

*Do evaluations affect promotions?*

0= no

1= yes

– **d3\_2c2**

*Do evaluations affect bonus?*

0= no

1= yes

– **d3\_2c3**

*Do evaluations affect salary?*

0= no

1= yes

– **d3\_2c4**

*Do evaluations affect the duration of stay in the firm?*

0= no

1= yes

– **d3\_2c5**

*Do evaluations affect other factors?*

0= no

1= yes

– **d3\_3\_1**

*Is tenure important in order to determine promotions within the firm?*

1=Very important

2=Important

3= not very important

4= not at all

– **d3\_3\_2**

*Is performance important in order to determine promotions within your firm?*

1=Very important

2=Important

3= not very important

4= not at all

– **d3\_3\_3**

*Is fidelity with ownership or managers, important in order to determine promotions within your firm?*

1=Very important

2=Important

3= not very important

4= not at all

– **d3\_4**

*Does the firm fasten advancements of talented managers?*

1= yes

2= no

– **d3\_5\_1**

*How frequently employees have been fired because of negative economic situation?*

1= frequently

2=sometimes

3=never

– **d3\_5\_2**

*How frequently employees have been fired because of bad relationship with owners?*

1= frequently

2=sometimes

3=never

– **d3\_5\_3**

*How frequently employees have been fired because of unable to reach the goals*

1= frequently

2=sometimes

3=never

– **d3\_5\_4**

*How frequently employees have left (voluntarily) because of better job offer?*

1= frequently

2=sometimes

3=never

– **d3\_5\_5**

*How frequently employees have left (voluntarily) because of family or personal reasons?*

1= frequently

2=sometimes

3=never

– **d4\_1**

*How many hierarchical levels separate you from CEO?*

1= I am the CEO

2= one level, I deal directly with CEO

3= two levels, my boss deals with CEO

4= three levels

5=more than three

– **d4\_2**

*Does CEO have office in the same building where you work?*

1= yes

2= no

- **d4\_3**  
*What is the maximum amount of your budget that you can spend without any authorization?*
- **d4\_3ax**  
*Is this amount the budget that you can spend without any authorization?*  
1=yes  
2=it is an amount additional to the budget  
3= I have no budget  
4= do not answer
- **d4\_4**  
*Are you allowed to hire people without authorization?*  
1= yes  
2= yes but there is a budget constraint  
3= no
- **d5\_1**  
*How many employees work in your firm?*  
1= less than 10  
2= from 10 to 50  
3=from 50 to 100  
4= from 100 to 500  
5=from 500 to 1000  
6= from 1000 to 5000  
7= from 5000 to 10000
- **d5\_2s1**  
*Among these strategic goals, which is the most important to your firm?*  
1= Mergers & Acquisitions  
2=Enlargement into new markets  
3= Innovation in production process  
4= products innovation
- **d5\_2s2**  
*Among these strategic goals, which is the most important to your firm?*  
2=Enlargement to new markets  
3= Innovation in production process  
4= products innovation  
5= Costs control
- **d5\_2as1**  
*Is there any other strategic goal which is more important than the ones mentioned above?*  
99= yes  
100= no
- **d5\_3**

*Do you work for a multinational firm or Italian firm?*

- 1=Italian firm in Italian market
- 2= Italian firm which also operates abroad
- 3= multinational

– **d5\_4**

*Where are located firm's Headquarters?*

– **d5\_5**

*Who is the owner of the firm you work in?*

- 1= founder
- 2= family
- 3=managers
- 4= cooperative/ mutual company
- 5= investors group (small)
- 6= private equity
- 7= dispersed shareholders
- 8=State owned/ foundation
- 99= other

– **d5\_6**

*Has the company ownership changed in the last three years?*

- 1= yes
- 2= no

– **d5\_7**

*Who was the owner of the company three years ago?*

- 1= founder
- 2= family
- 3=managers
- 5= investors group (small)
- 6= private equity
- 7= dispersed shareholders
- 8=State owned/ foundation
- 99= other

– **d5\_8**

*In this moment, is the CEO a member of the family that owns the company?*

- 1= yes
- 2= no

– **d5\_9**

*The current CEO had other work experiences before joining family company?*

- 1= yes
- 2= no

– **d5\_10**

*Are you a relative of the family that owns the firm?*

1= yes  
2= no

– **d5\_11**

*How many members of the family have a responsibility role in the company?*

1=no one  
2= one ( CEO or President)  
3= two/three  
4= four or five  
5= more than six

– **d6\_1**

*Have you worked for other companies in the last 10 years?*

1= no  
2= just one  
3=two others  
4= more than three

– **d6\_2s01**

*Which reasons led you to change job?*

1= more responsibility  
2= less work  
3=same responsibility but higher salary  
4= bad cycle of the sector of activity  
5= personal reasons  
6= contrast with the ownership or management  
7=other

– **d6\_3**

*Have you ever worked in consulting industry?*

1= yes  
2= no

– **d6\_4**

*Through which channel did you find the current job?*

1= newspaper or internet  
2= employment agency  
3=informal- professional links  
4= informal- family links  
5= competition  
6= head hunter  
7= application  
8= other

– **d6\_5**

*Have you received job offers in the last three years?*

1= yes  
2= no

- **d6\_6**  
*Are you satisfied of the current job?*  
1= very satisfied  
2= quite satisfied  
3=not much satisfied  
4= not satisfied
  
- **d6\_7**  
*Highest educational attainment?*  
1= high school diploma  
2= university (not completed)  
3= bachelor  
4= mba  
5= postgraduate
  
- **d6\_8**  
*Graduation Mark:*
  
- **d6\_9**  
*Have you attended executive courses?*  
1= yes  
2= no
  
- **d6\_10**  
*Educational attainment of the father?*  
1= primary  
2= lower secondary  
3=high school diploma  
4=university (not completed)  
5= bachelor
  
- **d6\_11**  
*Father's main job?*  
1=worker  
2= teacher  
3=shopkeeper  
4=employee  
5=manager  
6= entrepreneur  
7=director  
8= freelancer  
9=other
  
- **d6\_12**  
*Age*
  
- **d6\_13**

*Gender*

- **d6\_14**  
*What is the range of you salary (euro)?*  
1=less than 50.000  
2= from 50.000 to 75.000  
3= from 75.000 to 100.000  
4= from 100.000 to 125.000  
5= from 125.000 to 150.000  
6= more than 150.000
  
- **d7\_1**  
*Do you think that one should trust in people or it is better to be cautious?*  
1= yes  
2= no, it's better to be cautious
  
- **d7\_2**  
*Do you think you are able to assess the reliability of people?*  
1=very able  
2=able enough  
3=not able
  
- **d7\_3**  
*How frequently do you conclude agreements by handshake?*  
1= frequently  
2= often  
3=rarely  
4=never
  
- **d7\_4**  
*Do you think Italian manager are considered as reliable?*  
1= very reliable  
2= quite reliable  
3= not much reliable  
4 = not reliable
  
- **d7\_5\_1**  
*What is the most important characteristic that your collaborators should have?(choose one of the following)*  
1= flexibility (working hours)  
2=punctuality  
3=fidelity  
4=ability  
5=other
  
- **d7\_5\_2**  
*What is the second most important characteristic that your collaborators should have?(choose one of the following)*

- 1= flexibility (working hours)
- 2=punctuality
- 3=fidelity
- 4=ability
- 5=other

– **d7\_5\_3**

*Which other characteristic your collaborators should have?(choose one of the following)*

- 1= flexibility (working hours)
- 2=punctuality
- 3=fidelity
- 4=ability
- 5=other

– **d7\_6**

*Suppose you have to choose between two investment projects, both have the same costs but returns are different: the first one (A) has a return of 1 million euro and it has no risks, the second one (B) can have a higher return (5 millions euro) but it is not sure (99% of success). Which one do you prefer?*

- 1=A
- 2=B

– **d7\_6\_1**

*Suppose now the project B has a probability of success equal to 90%. Which one do you prefer now?*

- 1=A
- 2=B

– **d7\_6\_2**

*Suppose now the project B has a probability of success equal to 80%. Which one do you prefer now?*

- 1=A
- 2=B

– **d7\_6\_3**

*Suppose now the project B has a probability of success equal to 70%. Which one do you prefer now?*

- 1=A
- 2=B

– **d7\_6\_4**

*Suppose now the project B has a probability of success equal to 60%. Which one do you prefer now?*

- 1=A
- 2=B

- **d7\_6\_5**  
*Suppose now the project B has a probability of success equal to 50%. Which one do you prefer now?*  
1=A  
2=B
  
- **d7\_6\_6**  
*Suppose now the project B has a probability of success equal to 40%. Which one do you prefer now?*  
1=A  
2=B
  
- **d7\_6\_7**  
*Suppose now the project B has a probability of success equal to 30%. Which one do you prefer now?*  
1=A  
2=B
  
- **d7\_6\_8**  
*Suppose now the project B has a probability of success equal to 20%. Which one do you prefer now?*  
1=A  
2=B
  
- **d7\_7**  
*Suppose you have a range of investment strategies, they are ordered from 0 to 10, where 0 represents a strategy that has low return but it has no risk, while 10 is a risky strategy but the return is much higher. Which strategy do you prefer?*
  
- **d7\_8**  
*If you are the only person who decides the strategy of the company, what would be your goals?*  
1= High returns, high risks  
2= Good returns, moderate risks  
3= fairly good returns, low risks  
4= low returns, no risks