



## Global Financial Staffing During the Global Crisis

One company's loss is another company's gain. That's one silver lining to the financial sector meltdown spreading from the United States and the United Kingdom to the rest of Europe and beyond. With the collapse of venerable financial institutions, including the United States' Lehman Brothers, the Netherlands' Fortis Bank, Belgium's Dexia, Britain's Bradford & Bingley and Germany's Hypo Real Estate Holding, among many others, stock markets worldwide went into free-fall in October with many experts questioning the future of the financial industry—and those in its employ.

But while large banks and investment firms falter, smaller financial entities in the United States and Europe as well as those located in emerging economies are reaping the benefits of top talent looking for job security over a fat paycheck. October U.S. employment figures showed that 159,000 jobs were lost in September, the most in one month in more than five years.

If you are in a position to hire financial

staff, now is the time to do it, headhunters say.

"Those who remain strong and relatively stable through the maelstrom should proactively recruit some fresh talent," said Michael Shanahan, senior partner in the Boston office of The Boston Consulting Group (BCG).

Online job postings in the United States have soared in recent weeks. Robert Graber, founder of WallStJobs.com in New York, has seen a 25 percent to 30 percent uptick in the number of companies posting financial services jobs from a wider geographical range.

Even investment firms outside the U.S. are pouncing on the talent not usually available. For instance, Wall Street workers—whose salaries averaged nearly \$400,000 in 2007, according to financial news agency Bloomberg—are lowering their compensation expectations, according to recruiters. Are they ready to move from Wall Street to Dalal Street in Mumbai, India? That remains to be seen.

## WFPMA Name Change

The WFPMA Board of Directors voted at its September meeting to change the name of the association from the World Federation of Personnel Management Associations to the World Federation of People Management Associations effective immediately. In making the announcement, WFPMA President Ernie Espinosa said, "The word 'personnel' in WFPMA is no longer apt for a global organization that is considered as the premier HR organization in the world. 'Personnel' focuses only on transaction work, not translation work, as David Ulrich puts it. 'People management' captures the entire essence of our profession and the significance of what we are doing in the WFPMA—that is, to advance the HR management profession throughout the world."

## Whither the City and Wall Street?

With the weakened U.S. dollar and the Wall Street malaise, other financial hubs around the world are getting ready for their close-up. Investment firms in Shanghai are already reaching out to laid-off Wall Street

[continued on page 2](#) ▶

## Weak Dollar Affects Global Compensation And Cost-of-Living Rankings

The weakened dollar is affecting all areas of compensation, especially equity-based incentive plans, according to a recent survey report, *Impact of Weakening U.S. Dollar on Compensation in Multinational Companies* by Mercer.

The report includes responses from more than 60 multinational organizations and more than 20,000 employees. Nearly half of responding multinationals (47 percent) say the depreciating value of the U.S. dollar has had a moderate to significant impact on their compensation programs.

"The market for skilled labor is shifting at an alarming rate due in large part to changing demographics and global competition ... making human capital more internationally mobile than ever before," the report noted. "This has amplified the need for competitive compensation programs for key employees around the world."

[continued on page 3](#) ▶

## IN THIS ISSUE

- O'Neil New SHRM CEO **2**
- Ethics Needs HR **4**
- Cisco Case Study **5**
- Top 20 MBA Schools **6**
- HR around the Globe **7**
- Global HR Calendar **8**

MAGAZINE OF THE  
World Federation of  
People Management  
Associations

## © WorldLink

is the quarterly newsletter of the World Federation of People Management Associations (WFPMA). For further information about the Federation, contact Horacio E. Quirós, Secretary General, WFPMA c/o the Federacion Interamericana de Asociaciones de Gestion Humana (FIDAGH): Piedras 77, Piso 10 B C1070AAA Ciudad Autonoma de Buenos Aires Argentina Tel/Fax: +54 11 4342 6163 E-mail: horacio.quirós@fidagh.org WFPMA web site: www.wfpma.com

## WorldLink

welcomes news stories, announcements of events and ideas for articles. These should be accompanied by a telephone number and e-mail address where possible.

Please send items to

Adrienne Fox

Editor, *WorldLink*

E-mail: afox@pointcs.com

Tel: +1-703-417-9894

## Next issue

The next issue of *WorldLink* will be published in January 2009.

Please submit contributions by 2 January 2009.

©2008. Material may be reprinted with credit to *WorldLink*, WFPMA

Design by **Blair Wright**

08-0777

## ► GLOBAL FINANCIAL STAFFING continued from page 1

workers whose expertise is greatly needed there. Investment bankers, who as recently as last year wouldn't have considered such a move to Asia, are now mulling over the option, according to headhunters there, looking for a greater upside to salary. While much of the Western world moved to stabilize stock markets by banning the short-selling of stocks, China's State Council recently approved plans to allow it as well as margin lending, making it more enticing to risk-seeking financial workers.

Venture capital, private equity and foreign direct investment are at all-time highs in China while Shanghai tries to position itself as a world financial hub by 2020. Although Shanghai's stock exchange has lost close to two-thirds of its value this year, China's big banks have mostly escaped the big hits suffered by their European and U.S. counterparts. Investors looking for somewhere to put their money are looking to China. For instance, shares of China's Ping An Insurance Co. rose even after it reported a record US\$2.3 billion loss on its stake in Fortis.

The September Global Financial Centres Index, released twice a year by the City of London and Z/Yen Group, found the competitiveness of London and New York slipping in the world rankings.

While still ranked at the top, the two cities' leads over their rivals shrank because of the credit crisis and the collapse of U.S. and European financial firms. Frankfurt, Germany and Paris also lost ground. Cities in Asia and the Middle East—Dubai, Singapore, Shanghai and Mumbai—were deemed most likely to gain in importance. The top five financial hubs remained London, New York, Singapore, Hong Kong and Zurich.

## Staffing Shortages Still Forecast

In the long term, financial sector shortages are still predicted because of demographic changes, according to Shanahan. "When the smoke settles, there will be new structures and new regulations, but there will always be financial services products as well as the need for talent in those areas," he said.

Talent management has emerged as the most urgent priority among financial firms in every region of the world, according to *Creating People Advantage: How to Address HR Challenges Through 2015*, a report released in May and based on a global study conducted by BCG, WFPMA and the Society for Human Resource Management in Alexandria, Va. Shanahan said that despite the current crisis and loosened labor market, the prediction stands. "It's hard to predict what impact the financial crisis will have on global staffing," he said. "But it's safe to say that you will see ripple effects in the near term. In the long term, however, staffing challenges will persist."

About 25 percent of the financial industry respondents said their firms now source talented employees globally; 56 percent said they will do so in the near future, according to the *Creating People Advantage* report.

Shanahan and headhunters advise global HR professionals in a position to hire to re-evaluate workforce planning needs and staff positions with long-term goals in mind, taking into account future demographic challenges. Seek out niche online job boards and specialty search firms to find these key candidates. When luring candidates, promote your company's stability and growth, stress the career and development opportunities, and offer robust relocation packages.

## Laurence O'Neil Appointed New President and CEO of SHRM



The Society for Human Resource Management (SHRM), the world's largest HR association, based in Alexandria, Va., appointed Laurence (Lon) G. O'Neil as president and chief executive officer. O'Neil succeeds Susan R. Meisinger, SPHR, who retired in June. O'Neil, who had been senior vice president and chief human resources officer at Kaiser Permanente, took the helm on Oct. 1.

O'Neil has held executive-level human resource and corporate positions at profit and not-for-profit organizations, both in the United States and overseas. As executive vice president and chief human resources officer of Bank of America's Global Corporate & Investment Banking, he led the HR team that supported lines of business in 42 countries. O'Neil also directed the bank's HR functions throughout Asia and spent the early years of his career in Tehran, Iran, as director

of social services for the Tehran American School. He earned his bachelor's degree from Villanova University and a master's degree from the University of New Mexico.

"I am honored to be joining this esteemed global organization at an exciting time of growth for the human resource profession," said O'Neil. "I've seen firsthand how HR professionals can make the critical difference in an organization's ability to compete and succeed. I am dedicated to strengthening the Society's commitment to the profession and to the people who fulfill this essential mission around the world every day."

*Editor's note: If your association has people, research or event announcements, please send them to Adrienne Fox at afox@pointcs.com.*

▶ WEAK DOLLAR continued from page 1

The U.S. dollar has dropped about 25 percent against the British pound since 2003, while the euro continues to strengthen. The U.S. dollar is on par with the Canadian dollar for the first time in 30 years and is at its lowest level against the Australian dollar.

Organizations around the world are considering the impact of the weakened U.S. dollar on their compensation programs, according to the Mercer report. Long-term incentives, base salaries and employee mobility are the greatest areas of concern.

Mercer advises global organizations with operations in the United States or in countries where the currency is tied to the U.S. dollar to:

- Review the overall rewards strategy

and goals in the context of their business strategy.

- Understand methods and the company's ability to reduce the impact of currency fluctuations on comp plans.

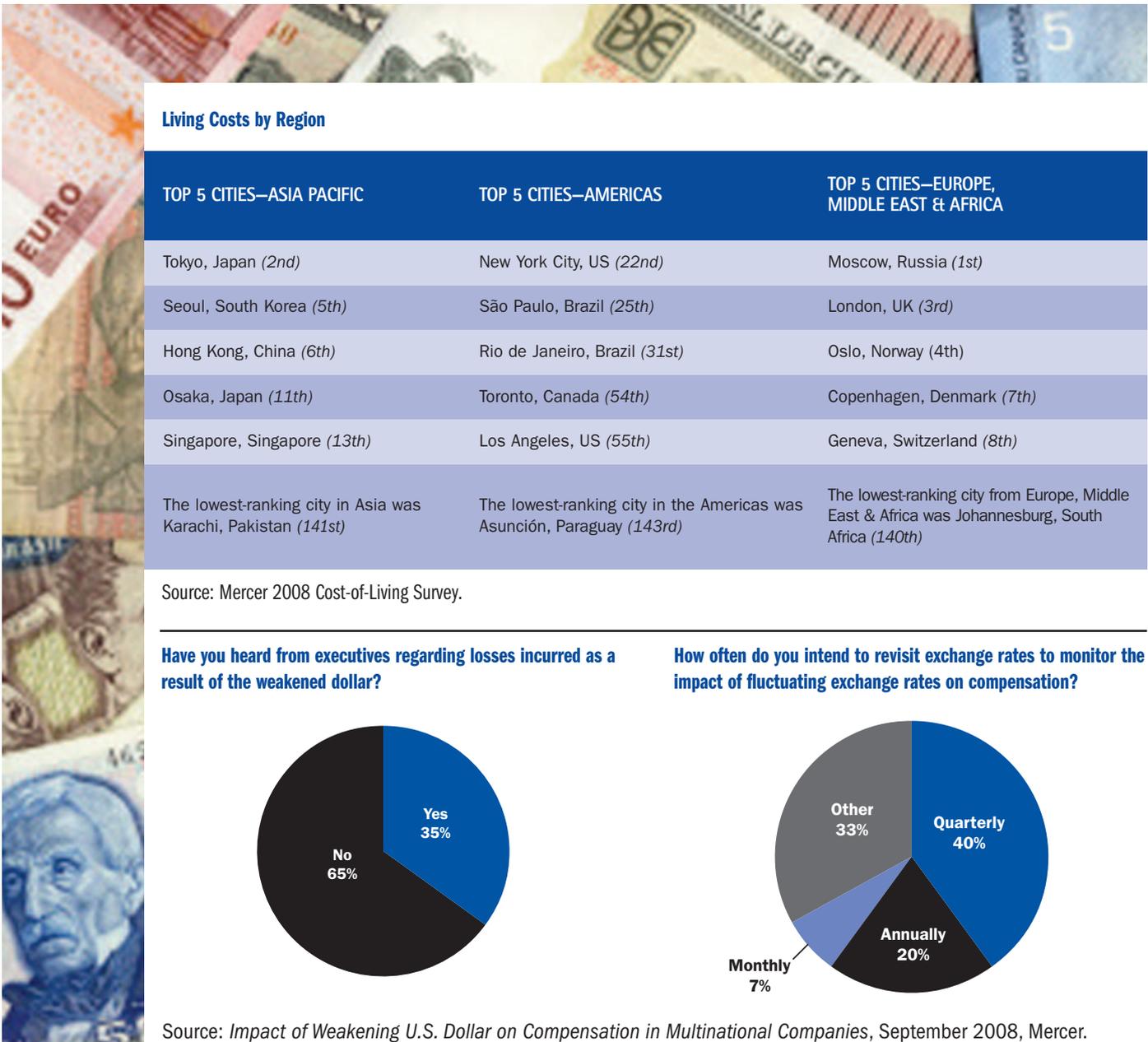
- Assess the needs of executives and mobile employees, and evaluate any internal equity issues that may arise from currency fluctuations.

With that in mind, it is necessary to understand how the weak dollar is affecting the rank of the most expensive cities in the world for expatriates. "Current market conditions have led to the further weakening of the U.S. dollar, which, coupled with the strengthening of the euro and many other currencies, has caused significant changes in this year's rankings," said Yvonne Traber, a principal and research manager at Mercer.

Although the traditionally expensive cities of Western Europe and Asia still feature in the top 20, cities in Eastern Europe, Brazil and India are creeping up the list. Some locations such as Stockholm and New York now appear less costly by comparison.

HR needs to keep abreast of cost-of-living increases and decreases through annual studies to ensure that their employees are compensated fairly and at competitive rates when stationed abroad.

"In some cases, cost-of-living increases may be correlated to countries with a high rate of economic growth," noted Traber. "Companies may assign high priority to expansion in these economies but may have to deal with inflationary pressures due to competition for expatriate-level housing and other services, as observed in our surveys."



# HR's Stronger Ethics Role

BY DR. WES HARRY

Human rights and other ethical issues have been seen as the responsibility of governments or NGOs (Non-Government Organizations). When organizations have to deal with human rights, it is usually the corporate lawyers or maybe the public relations department that is called upon. However, it is generally the human resource function that is involved in the policies and practices that can be seen as abuses of human rights. Virtually all HR practitioners consider themselves ethical individuals who care about their fellow humans and wish to act properly in their business and personal dealings with others. Sadly, business practices and a narrow view of corporate responsibility can lead to abuses of human rights.

We must recognize that there are no universally accepted human rights and even the United Nations Declaration of Human Rights in 1948 can be seen as a Western individualist construct that is not accepted by other societies such as the more communally oriented societies of Asia (China, Japan and other Asian nations such as India were not participants in the 1948 declaration). For most Asian and African countries and countries of the former Soviet Union, protection of society and family well-being is more important than individual human rights.

However, there are some general principles that are widely accepted, such as the right to life and the right to acquire the means to sustain life through work and learning, although the extent of learning is often disputed. The right to maintain human dignity is also widely agreed to be one of the general principles.

In the drive to create shareholder value, reduce costs and protect the interests of the "core" of organizations, the HR function has been highly involved in subcontracting and outsourcing work to other organizations and other locations where responsibility for maintaining ethical standards can be passed on in the name of efficiency. The ethical standards can sink so low when the subcontracting and outsourcing goes to a foreign jurisdiction beyond the legislative environment of the parent country that abuse of human rights, by any standard, can occur.

Indentured labor and workers powerless to move to another employer are commonly found in the factories and construction sites

of most Asian countries. The owners of the local means of production and labor contractors—in China, these are known as *kong chak* (labor thieves)—use migrant workers (from rural to urban workplaces or from poorer countries) to undertake work and to keep down wages of non-migrant workers.

HR staff will argue that agreements are made with foreign (and domestic) subcontractors and outsourced facilities to maintain minimum standards, especially in terms of health, safety and environment of the workers, and that regular visits are made by inspectors to ensure compliance. However, visits—usually brief visits when hospitality and trips to local sites of interest

HR can take a stand and insist on minimum rates of pay, and undertake, with auditors, regular reviews to ensure that a living wage is being paid.

are prominent—are inadequate when seeking to maintain ethical and human rights standards. Of more importance to the contractor or supplier are the prices being paid for goods and services. And in this regard, HR is complacent when procurement staff and business managers drive prices below levels at which decent standards of living can be attained. As an example, cufflinks are bought for \$2 a pair from mainland Chinese suppliers and sold in the United States for \$40, but the purchasing organization constantly drives the price lower. To keep the business, the Chinese drop the price to \$1.80 and cut wages or "benefits" to the workers. Or the production is moved to Vietnam where "cheaper" labor is available and then on to Cambodia where it is even cheaper—squeezing cents out of products sold for tens of dollars.

HR can take a stand and insist on minimum rates of pay, and undertake, with auditors, regular reviews to ensure that a living wage is being paid. Good working relationships should be built up with trade unions and NGOs and local groups of

employers so that early warning can be given of potential abuses of worker rights. Inspection visits should concentrate on work, not tourism.

Recruitment should be based on ability to undertake productive work, not on the cheapest price a labor contractor can offer. Selection should be objective and work-related because, if not closely monitored, it can be an occasion to humiliate and abuse candidates. If migrant workers (internal migrants and those who cross borders) are recruited, they must be treated with respect and fairly; they are vulnerable to bullying and abuse by supervisors because to lose a job often means losing the right, or means, to reside in that location.

A chance for learning and development is seen by most (including the originators of the UN 1948 Human Rights Declaration and the 1984 UN Declaration on Development) as human rights, but employers regularly avoid giving chances for improvement to workers who might move to another employer or demand higher wages because of their enhanced skills. While HR often argues that it seeks to improve the value of human capital in practice, the focus is often on de-skilling, re-engineering or using expert systems to enable work to be carried out by those with minimum ability.

HR can improve work practices to recognize the valuable contribution all workers can make to the organization's survival in a highly competitive environment. And willing workers are much more likely to add to profitability than those who worry about bullying, feeding themselves and their families, paying the labor contractor who got them the job, and avoiding serious abuse. HR can improve the ethical standards of their employing organization and enhance the status of their organization. By working to prevent abuse of workers' human rights, HR can show that it can contribute to strategic and long-term success. The common factor in rights and in resource management is, after all, "human."

---

*During a 30-year career in Asia and the Middle East, Dr. Wes Harry has been head of HR of two banks and two airlines. Currently, he is advising a number of Sovereign Wealth Funds in Asia and undertaking research into the bright and dark sides of managing people in Asia.*

# How Cisco 'Idolized' Its Global Ethics Program

Cisco Systems Inc., the worldwide leader in networking for the Internet, also leads the pack when it comes to governance and ethics, consistently ranking high on the lists of best corporate citizens. This is no accident; it reflects a workforce that's united by strong values and a commitment to maintaining high standards of business conduct.

It also reflects ongoing efforts by Cisco leadership to deliberately engage employees at all levels as committed ethical citizens who function and work in accordance with the values of the organization. In 2006, Cisco looked for new ways to energize its high-tech workforce and speak specifically to the kinds of ethical situations its employees faced on a day-to-day basis.

A partnership with The Network and its mPower Communications agency, located outside Atlanta, led to an analysis of the Cisco employee base and corporate climate and, ultimately, to the creation of "Ethics Idol," an interactive, educational flash module that engaged employees in making decisions about ethical situations. This parody of the worldwide singing competition hit "Idol" television series created a loud buzz about ethics throughout the company.

By delivering customized messaging around ethics and ethical situations specific to Cisco, the company continues to transform its ethics program into an ethical culture—where employees are not just informed about ethics, but also are closely

aligned with the company's values and driven to do their part to see the company succeed.

With more than 65,000 employees worldwide, building and sustaining an ethical culture is complicated, but the commitment the company has made to an ethical workplace has paid off, earning it the status of "repeat performer" on *Corporate Responsibility Officer* magazine's list of the 100 Best Corporate Citizens. In the nine years that the list has been tabulated, Cisco is one of only three companies that has appeared on the list every year.

## The Challenge

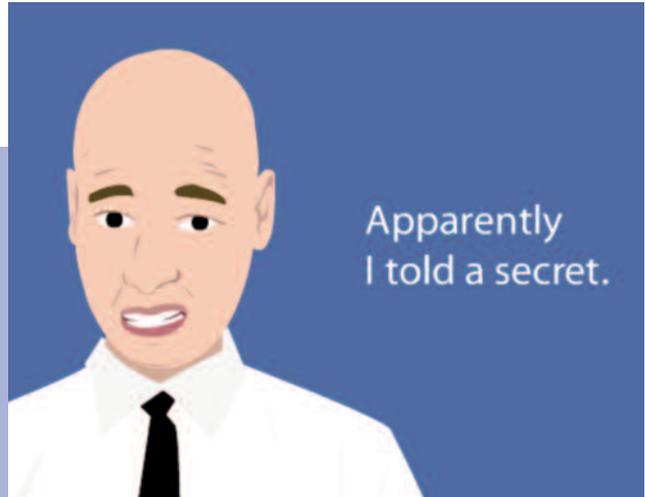
Cisco discovered early on that an ethical culture was not the result of a "program," but a dynamic process and a series of campaigns that kept ethics messaging top of mind and spoke to every employee on a regular basis. The company's research into off-the-shelf solutions, however, led it to offerings that were static in nature and

directed at workplaces that didn't look or function like Cisco's.

Any initiatives launched would need to appeal to a global workforce that was highly technical and fully computer-literate—traditional training courses and standardized print messaging would not be a good fit for the Cisco employee population. The Ethics Office was seeking something dynamic and

interactive, something easily accessible from employee desktops, and something that would speak directly to situations that were relevant to the Cisco experience.

The Network was challenged with adhering to the Cisco branding guidelines in



Each 'Ethics Idol' episode presents viewers with an ethical dilemma. In this one, Nelson Newbie gave information about his old employer to his new employer.

the copywriting and design of this important internal document. To achieve success,

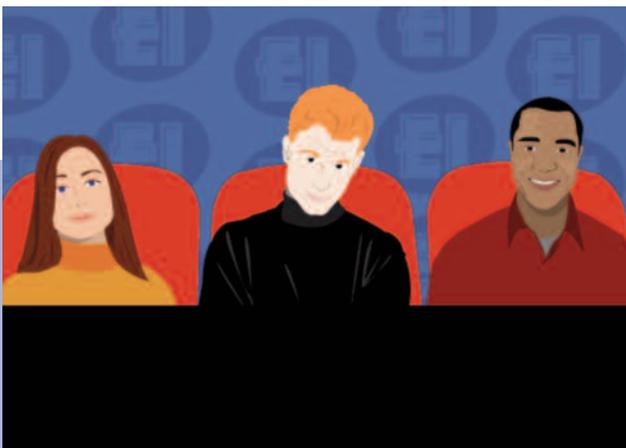
The Network participated in Cisco brand training to ensure that the project met all applicable standards set by Cisco.

## The Solution

After initial contact, The Network's mPower Communications agency entered into a discovery phase to better understand the demographics of Cisco's workforce, its existing methods of communications and its specific communication objectives. There was discussion around the types of vehicles and messaging that would best appeal to—and effectively engage—Cisco employees. The mPower and Cisco teams also discussed the specific kinds of ethical dilemmas that Cisco employees faced and identified some key situations to use in the campaign.

Cisco's Ethics Office worked with HR to come up with ethics scenarios as well as to create the content for the Code of Business Conduct. Based on information gathered, the mPower team proposed a series of four, fun episodes of "Ethics Idol." Each of the modules introduced an animated "contestant" who told the story of his or her ethical dilemma using action-packed visuals and witty song parody. Once finished, three quirky judges offered their opinions and employees were tasked with voting on which judge provided the most ethical answer.

The episodes were accessible to employees from their desktops and rolled out individually for a period of four weeks. Using polling technology, employees could



After the employee shares his or her alleged ethical breach, three panel judges chime in with their opinions. Upon hearing all the evidence, viewers vote on whether they believe the employee violated a Cisco ethics code.

continued on page 6 ►

instantly see how their vote compared to how other employees voted. This revealed how making ethical decisions isn't always black and white.

"'Ethics Idol' helped raise awareness among Cisco's employees that each ethical dilemma is not always cut and dried, and if they should have any questions, they should refer to the Cisco Code of Business Conduct for guidance," said Jeremy Wilson, manager, Cisco Ethics Office.

"In fact, after the launch, the number of calls into the ethics department went up dramatically with questions about the ethics policy," said Ralston McCracken, president of sales and business development at The Network. "Anytime you can get employees to engage in the material and follow up with questions and clarifications is viewed as a success."

After the voting process, employees were given a detailed explanation from the Ethics Office about the Cisco policy pertaining to the ethical scenario played out in the "Ethics Idol" episode. The initiative was hugely successful and demonstrated that learning about ethics didn't have to be rote or boring. The scenarios illustrated through "Ethics Idol" were complicated and designed so that the proper course of action was not obvious.

### The Results

"Ethics Idol" drew rave reviews from both internal and external audiences. To date, more than 10,000 Cisco employees globally have viewed and voted on the ethical dilemmas. Launching this innovative program offered the Ethics Office an opportunity to speak directly to the workforce about key Code of Business Conduct (COBC) issues. Its fun format and interactive element made it stand apart from—and above—traditional ethics offerings and reached out to employees directly from their laptops to entertain, engage and educate.

"Ethics Idol" is still a key communication and training tool for Cisco. The episodes are offered in various orientation and training classes throughout Cisco today.

In a survey, 94 percent of Cisco's employees agreed that the new code was "easy to read" and 95 percent agreed that it was easy to comprehend. Thanks to an effective launch and a multilingual format that made it accessible to all, Cisco's annual COBC certification process was seamless—within the four-week period of the certification campaign, 98 percent of employees certified that they had received and read the COBC, and within eight to 10 weeks, 99.6 percent of employees had done so.



In another dilemma, viewers are asked to decide if hiring a family member as a vendor is against Cisco's code of ethics.

McCracken said the interactivity and animated aspects of the program drew employees in and kept them engaged. "People are bombarded with 1,500 different messages a day—at work and at home," he noted. "So how do you break through to get your ethics and COBC message read, understood and retained? Animation is very engaging. Would 'The Simpsons' be as much fun with real actors? No."

## Top 20 full-time MBA programs

Rank (2007 position in brackets)

- 1 (5) IMD - International Institute for Management Development **Switzerland**
- 2 (3) IESE Business School-University of Navarra **Spain**
- 3 (1) University of Chicago-Graduate School of Business **US**
- 4 (2) Stanford Graduate School of Business **US**
- 5 (4) Dartmouth College-Tuck School of Business **US**
- 6 (6) University of California at Berkeley-Haas School of Business **US**
- 7 (7) University of Cambridge-Judge Business School **UK**
- 8 (8) New York University-Leonard N. Stern School of Business **US**
- 9 (15) London Business School **UK**
- 10 (9) IE Business School **Spain**
- 11 (20) Hong Kong University of Science and Technology-School of Business and Management **Hong Kong**
- 12 (13) Harvard Business School **US**
- 13 (11) Cranfield School of Management **UK**
- 14 (22) Vlerick Leuven Gent Management School **Belgium**
- 15 (24) York University-Schulich School of Business **Canada**
- 16 (14) Northwestern University-Kellogg School of Management **US**
- 17 (21) University of Pennsylvania-Wharton School **US**
- 18 (16) Massachusetts Institute of Technology-MIT Sloan School of Management **US**
- 19 (17) INSEAD **France/Singapore**
- 20 (10) Henley Business School **UK**

Source: Economist Intelligence Unit.



# HR News around the World

## Russia

*Incentives to boost voluntary contributions to pensions introduced*

The Russian government will match voluntary contributions made to individual pension accounts, according to new regulations effective Oct. 1, 2008. The state will also put into place tax incentives for employers and employees, effective Jan. 1, 2009, in an effort to stimulate voluntary pension savings.

The following guidelines will apply to the state's contributions:

- Contributions will be made at a ratio of 1:1 up to a maximum of RUB 12,000 annually for a 10-year period.
- Minimum pension contributions will be set at RUB 2,000 per year.
- The contributions will apply to those who start saving between Oct. 1, 2008, and Oct. 1, 2013.

The tax incentives will be as follows:

- Contributions made by individuals or their employers, up to a maximum of RUB 12,000 per annum, will be tax-deductible up to the amount of 12 percent of the employee's annual payroll.
- Employers will be exempt from corporate income tax and social taxes for amounts contributed to voluntary retirement saving plans.
- The threshold for social tax deductions will be increased from RUB 100,000 to RUB 120,000 per year. Contributions up to this amount will remain tax-deductible.

## United Kingdom



*Leave, minimum wage and liability insurance standards changed*

A set of new regulations regarding minimum wage, employers' liability insurance, and maternity and adoption leave took effect October 2008.

The national minimum wage (per hour) will increase from:

- GBP 5.52 to GBP 5.73 for workers age 22 and older.
- GBP 4.60 to GBP 4.77 for workers between ages 18 and 21.
- GBP 3.40 to GBP 3.53 for workers between ages 16 and 17.

Other regulations have been changed as follows:

- Employers will not be required to retain

their employees' liability insurance certificates for 40 years. Also, they are no longer required to keep these certificates as physical copies, but can make them available to employees electronically.

- Employees on additional maternity and adoption leave will enjoy the same terms and conditions in terms of pay and benefits as they do during regular leave.

## Brazil



*Workers to have longer maternity leave*

The length of paid maternity leave has increased from 120 days to 180 days, according to a regulation approved by the Brazilian Congress on Sept. 3, 2008.

The main provisions of the regulation are as follows:

- The leave extension is optional for private firms but compulsory for the public sector.
- An incentive in the form of a tax credit on the additional leave benefit amount paid will be available to private employers who choose to offer the extra leave.
- Once offered, the extension is optional for employees to take advantage of.

## Uruguay



*Additional leave granted for significant life events*

Employers will be under an obligation to grant their employees additional paid leave for significant life events, such as marriage, paternity, mourning and academic sabbaticals, according to a new law approved by Congress on Sept. 2, 2008.

The conditions and provisions of the new regulation are as follows:

- Students will be entitled to ask for up to 18 paid days off per year for academic sabbaticals, provided that they pass at least one exam during that period. They must give their employer at least 10 days' notice before taking this sabbatical, which cannot exceed six days per exam. Students who do not pass at least one exam will not have the right to ask for study leave the following year.
- Fathers will be entitled to three days of paid leave after the birth of every child. Maternity leave remains unchanged at 12 weeks.

- Couples will be entitled to three additional paid days off in the event of their marriage.
- Employees can take up to three days of paid leave in the event of the death of a close relative.
- Employees are obligated to provide documented proof of the event that justifies the leave taken within 30 days of their return.

## Taiwan



*Revisions to labor laws affect pension programs*

Effective Jan. 1, 2009, workers in Taiwan will be able to receive a regular monthly pension after retiring. Premiums are expected to double by 2028, resulting in a jump in the effective cost for employers providing labor insurance.

The main provisions of the law are as follows:

- Instead of receiving a lump-sum payment upon retirement, retirees will receive a stream of annuity payments. However, those who have participated in the plan before the new law comes into effect will be able to choose which option they prefer.
- The eligibility age is currently 60, and will remain so until 2017. After this point, it will increase by a year every two years until it reaches 65 in 2026.
- The insurance premium rate will rise incrementally until it reaches 13 percent in 2027.
- The ratio of contribution between employers, employees and the government will be 70:20:10 respectively. This implies that, as the overall premiums for plans rise, the effective premium rate of employers will rise from 5 percent to just over 9 percent by 2028.
- More than 8 million insured workers will be affected by this change. The new law is expected to have a positive impact on retirement by providing more flexible, simpler plans that provide larger benefits than was previously the case.

## Australia



*New National Employment Standards released*

Effective Jan. 1, 2010, a

continued on page 8 ►

set of 10 National Employment Standards (NES) has been released by the Australian government that will apply to all employees, regardless of industry, occupation or income level.

The main provisions of NES are as follows:

- Total working hours must not exceed 38 hours a week for full-time employees. Overtime is optional and can be refused for approved reasons. These include reasons of health or safety, or clashes with family responsibilities.
- Total leave granted will comprise four weeks of annual leave, 10 days of personal leave and 52 weeks of unpaid parental leave. Unpaid leave will be granted if the employee has worked for at least 12 months with the same employer.

- The required notice period for employment termination will vary from one to four weeks depending on the employee's period of service and will increase by an additional week if the employee is more than 45 years old and has completed more than two years of continuous service.
- Employees will be entitled to redundancy pay if their employment is terminated due to the insolvency of the employer or at the employer's initiative. Termination pay will vary between four to 12 weeks of the employee's base pay, depending on the length of service, but will not apply if the business is transferred and the employee rejects an offer of employment with the new office.

#### Israel



Deadline to convert manpower company employees to permanent staff approaches

Effective Oct. 1, 2008, employees hired by outside placement agencies, or manpower companies, who have worked at a company for more than nine months, will automatically become permanent staff of that company under a regulation passed on Jan. 1, 2008.

The main provisions of the regulation are as follows:

- Companies cannot employ applicants of manpower companies for more than a period of nine months. If a special permit is granted, this period can be extended to 15 months.
- Workers who are kept on after this time will have to be registered on the company payroll, and will be considered permanent staff of that company rather than the manpower company that hired them.

Sources: Briefs compiled from news items provided by Watson Wyatt and Mercer.

## THE WORLDLINK HR CALENDAR

**Nov. 4-7**

Sun City, South Africa  
**52nd IPM Convention and Exhibition**  
 Tel: +27 11 789 1384  
 E-mail: info@ipm.co.za  
 Web site: www.ipm.co.za

**Nov. 20-21**

Quito, Ecuador  
**ADPE XVI National Congress**  
 Tel: +593 2 2222 121  
 E-mail: adpe@interactive.net.ec  
 Web site: www.interactive.net.ec

**Dec. 3-4**

Hong Kong  
**2008 HKIHRM Annual Conference & Exhibition**  
 Tel: +852 288 151 13  
 E-mail: info@hkihrm.org  
 Web site: www.hkihrm.org

**March 2009**

France  
**ANDRH Annual Conference**  
 Tel: +33 1 56 88 18 20  
 E-mail: andrh@andrh.fr  
 Web site: www.andrh.fr

**March 30-April 1, 2009**

Toronto, Ontario, Canada  
**SHRM Global Conference & Exposition**  
 Tel: +1 703 548 3440  
 E-mail: shrm@shrm.org  
 Web site: www.shrm.org/conferences/global

**June 11-13, 2009**

The Hague, Netherlands  
**XXIV EAPM Congress**  
 Tel: +31 343 578140  
 E-mail: talent-event@nvp-plaza.nl  
 Web site: www.nvp-plaza.nl

**June 28-July 1, 2009**

New Orleans, Louisiana, USA  
**SHRM 61st Annual Conference & Exposition**  
 Tel: +1 703 548 3440  
 E-mail: shrm@shrm.org  
 Web site: www.shrm.org/conferences/annual/

**Sept. 26-29, 2010**

Montreal, Canada  
**WFPMA World Congress**  
 Tel: +1 613 567 2477  
 E-mail: info@cchra-ccarh.ca  
 Web site: www.hr2010.com



**World Federation of People Management Associations (WFPMA)**

#### WFPMA BOARD OF DIRECTORS 2008 - 2010

**President** Ernesto G. Espinosa, Philippines, **Immediate Past President** Florent Francoeur, Canada

**Secretary General/Treasurer** Horacio Quirós, Argentina

**Members** AFHRMA: Tiisetso Tsukudu, Florence Namatta-Maweije APFHRM: Peter Wilson, P.O. Mak EAPM: Rudolf Thurner, Michael McDonnell

FIDAGH: Willy von Mayenberg, Fernando Ariceta NAHRMA: Carolyn Gould, Jorge Jauregui

**2010 World Congress Chairman** Florent Francoeur, Canada

#### MEMBER ORGANISATIONS OF THE WORLD FEDERATION

##### AFHRMA (13)

AFRICAN FEDERATION OF HRM ASSOCIATIONS  
 Angola, Botswana, Democratic Republic of Congo, Kenya, Malawi, Namibia, Nigeria, South Africa, Swaziland, Tanzania, Uganda, Zambia, Zimbabwe  
**President** Tiisetso Tsukudu, South Africa

##### APFHRM (14)

ASIA PACIFIC FEDERATION OF HRM  
 Australia, Bangladesh, Hong Kong, India, Indonesia, Japan, Malaysia, New Zealand, Papua New Guinea, Philippines, Singapore, Sri Lanka, Taiwan, Thailand  
**President** Ernie Espinosa, Philippines

##### EAPM (28)

EUROPEAN ASSOCIATION FOR PERSONNEL MANAGEMENT  
 Austria, Belgium, Bulgaria, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Hungary, Ireland, Italy, Latvia, Malta, Netherlands, Norway, Poland, Portugal, Romania, Russia, Slovak Republic, Slovenia, Spain, Sweden, Switzerland, Turkey, United Kingdom  
**President** Rudolf Thurner, Austria

##### FIDAGH (15)

INTERAMERICAN FEDERATION OF PEOPLE MANAGEMENT ASSOCIATIONS  
 Argentina, Bolivia, Brazil, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, Guatemala, Nicaragua, Panama, Paraguay, Peru, Uruguay, Venezuela  
**President** Horacio Quirós, Argentina

##### NAHRMA (3)

NORTH AMERICAN HRM ASSOCIATION  
 Canada, Mexico, United States  
**President** Carolyn Gould