



## NEW PRESIDENT FOR FIDAP

Eladio Uribe, former international representative of ADOARH, the professional HR association of the Dominican Republic, is to succeed Peru's Alfredo Diez-Canseco as president of the Interamerican Federation of Personnel Administration (FIDAP) at the end of the FIDAP congress in Lima this month.

Paul Rosillon, recently-elected president of the Venezuelan association ANRI, will become FIDAP vice-president.

FIDAP, one of the founder members of the WFPMA, is to put forward a nomination at this month's WFPMA Board meeting for the next president of the World Federation, to succeed Eddie Ng following the Mexico City World Congress next May.

It is also expected to nominate Brazil to host a future World Congress.

ADOARH recently elected Miguelina Veras de Vargas as its new president; she will serve for two years, culminating in the hosting of the 2003 FIDAP Congress in Santo Domingo.

Currently a senior HR consultant with Grupo Ros, she has been active in the Dominican Republic association since its conception 12 years ago.

*APFHRM news, page 3*

## Limited 'window' for HR's global influence

International HR professionals have between just two and five years in which to 'migrate' into higher value-added activities and roles; if they miss the boat, they may not only be out of a job themselves, but they will have missed a unique opportunity to influence the way global businesses are structured from the perspective of effective people management.

According to early findings from a major piece of research into international HRM, commissioned by the UK's Chartered Institute of Personnel and Development, five main issues are driving change in the way the international HR function is organising itself, and it is these issues which are dictating the short timeframe within which the function can prove itself.

First, Paul Sparrow, Professor of International HRM at Manchester Business School, one of the researchers, told *WorldLink*, it is clear to many multinationals that there are whole regions of the world where they can drastically lower the cost of delivering people management systems. Not only has much of the work been outsourced in these countries, but they have the resources to apply IT to a large number of basic administrative and transactional processes, such

as benefit planning, career management and even performance management.

A development of this trend is for employees to use the company intranet to manage their own basic HR needs, backed up by an HR service or call-centre. Clearly such systems and centres would ideally operate globally, and this in turn has implications for specific country-based international HR people.

Indeed the second change driver highlighted by the research is the trend in many multinationals to move from structures based on country to those based on an organisation's different businesses, a shift that seems particularly prevalent in many Asian operations, said Sparrow.

As one survey respondent put it:

"...a lot of energy has traditionally been spent translating central initiatives into what works within one country. Countries had much freedom and there was only a light touch of hand from the centre. Now, however, there is a

*continued on page 6*

## Petitpas Award '02 - last chance to enter

The deadline is fast approaching for nominations for next year's WFPMA award for international HRM. Completed forms must be with judging panel chairman Mike Losey by the end of January at the latest.

The Petitpas Award, as it is known, is for the individual or team whose work has had the greatest global impact on international HR practice and on the profession in general.

For full details see website: [www.wfpma.com/award.html](http://www.wfpma.com/award.html)  
● Nomination forms and further information from the CIPD on +44 020 8263 3272 or email [l.byrne@cipd.co.uk](mailto:l.byrne@cipd.co.uk).

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**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.

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**Next issue**

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# The ultimate global I

A new United Nations Staff College, intended to provide training and development for those charged with some of the world's most important work, is about to come into being. Les Pickett, seconded to the college as senior adviser and acting deputy director of programmes, talked to *WorldLink* about its evolution and objectives

“More and more in today's interdependent world, people face the same challenges and threats. Some are ancient, such as hunger, war and bigotry. Some are new, such as global warming and the fallout of globalisation. Some are overt, such as terrorism and the proliferation of arms. Others are insidious, such as corruption, drug-trafficking and the spread of deadly diseases like AIDS. But all transcend borders; they are ‘problems without passports’, beyond the power of any single nation to resolve on its own. To resolve them, we need international co-operation to create ‘blueprints without borders’.

If the organisation is to live up to the world's expectations, it must learn to change, and it must change to learn.

In this context, the process of continuous learning could not be more vital. The UN Staff College is a key part of this effort.”

*Kofi Annan, UN Secretary-General*

**E**conomic and social development, world peace and security, not to mention the internal running of the United Nations itself – these are just a few of the areas of work of those for whom the UN's new staff college is intended is to provide leadership and management training. Scheduled to come into being on January 1, 2002, and to be based in Turin in Italy, the college has evolved out of a five-year ‘pilot’ period and a major independent evaluation exercise.

While the Secretariat of the UN has around 8,900 staff, mostly based in New York, but also in offices in Geneva, Vienna and Nairobi, there are other offices, programmes and funds, such as the UN High Commission for Refugees, the UN Development Programme and UNICEF (children's fund) which work to improve the economic and social condition of people round the world.

In addition, there are specialised agencies which co-ordinate their work with the UN but are separate and autonomous, such as the International Labour Organisation (ILO), World Health Organisation (WHO), World Bank and International Monetary Fund (IMF).

Collectively these organisations are known as the UN ‘system’ and accordingly the new college will be known as the UN System Staff College (UNSSC).

Member agencies and organisations will continue to conduct training and development relevant to

their own particular requirements, but the new college will deliver cross-agency programmes intended to minimise duplication of effort, enhance the sharing of knowledge and help create a more unified management culture. The aim is to provide a focal point for learning and performance improvement throughout the global organisation that is today's UN.

Challenges facing the UN increasingly call for new, concerted responses cutting across the areas of specialised competence of the various individual UN organisations, according to UN Secretary-General Kofi Annan. “By providing a common, modern instrument for system-wide learning, the college will greatly strengthen the capacity of staff to be agents of change and to meet these challenges in an effective and cohesive way,” he said.

The objectives of the college include the provision of strategic leadership and management development initiatives; increasing operational effectiveness; and enhancing co-operation with member states, specialised agencies, regional and non-governmental organisations and civil society.

The new institution grew out of a project launched by the ILO in 1996 and officially inaugurated by Kofi Annan in 1997. Since its inception over 6,000 people have been trained.

During the evaluation last year, consultations were held with well over 100 UN officials in more than 30 different organisations, as well as with Governments of UN member states.

The evaluation team found widespread support for the college and its potential to contribute to organisational reform, and particularly to increase operational effectiveness of UN staff in areas that cut across traditional organisational boundaries and to strengthen partnerships within and beyond the UN system.

It is also envisaged that the new organisation will play a proactive leadership role to ensure innovative approaches to learning, sharing knowledge on new learning methodology and in using open and distance learning to reach staff all round the world in a timely and effective way.

Indeed, one of the major challenges confronting the college is to service the wide geographical distribution and numbers of staff who have common learning needs around the world.

# Learning institution

Almost a third of UN professional staff (around 4,200) are located in offices with fewer than 100 staff each in 150 countries, while some 10,000 staff are concentrated in about 25 countries (with 100 or more professional employees each).

## Key programme areas

To achieve its strategic objectives the college is currently focusing on five key programme areas:

### 1 Economic and social development

Includes programmes designed to strengthen the capabilities of UN country-based teams. A key component is teambuilding, and critical issues such as poverty reduction, human rights, girls' education and HIV/Aids are addressed in workshops. Building local capacity for development and distance learning programmes which address a number of important issues relating to population are other important priorities.

### 2 Peace and security

These programmes include workshops designed to improve the professional and analytical skills of UN staff and their partners (government representatives, opposition leaders, regional organisations, civil society and the military) in the areas of early warning and preventative measures, promoting increased information exchange and co-operation between organisations' operational and humanitarian aspects of peacekeeping.

### 3 Management and leadership development

The focus will be on creating a common management culture across the UN, helping managers to deal with change and developing essential managerial skills, not least in communications.

A major review of top management and leadership development programmes around

the world was initiated in July to assist in planning future activities in this area.

**4 Knowledge management** The emphasis is on helping to build a culture of knowledge exchange, to establish communities of practice around key areas such as partnerships, through which knowledge can be gathered, shared and used more effectively across the system.

### 5 Development of a learning culture

Learning and knowledge sharing are of strategic importance to the UN and the college will play a central role by bringing people from different agencies together to achieve shared learning objectives.

Activities will include the creation of a unified and coherent approach to learning, becoming an effective clearing-house for learning events, the identification and application of contemporary developments in learning theory, together with best practice and technologies from both inside and outside the UN.

To expedite the many administrative, organisational and logistic arrangements needed to ensure a smooth start of operations from 1 January 2002, the UN General Assembly approved the Statute of the College on July 12 this year. A Board of Governors, which will comprise senior UN officials, is currently being constituted and a draft programme budget has been prepared for their consideration. Current and future activities and both the organisation structure and staffing complement are being reviewed.

*Les Pickett is Manager, Professional Development for the Australian Human Resources Institute and senior adviser to the UNSSC. Details of the activities of the college can be seen on its website: [www.itcilo.it/unsc](http://www.itcilo.it/unsc)*

## Asia Pacific news

**Australia** Kevin Fuller is now chairman of AHRI, the Australian Institute, Jo Mithen was promoted to executive general manager, and this month, following a secondment to the UN Staff College in Italy (*see article, this page*), Les Pickett will join AHRI as manager of professional development.

**Hong Kong's** Institute changed presidents early in June, when Virginia Choi took over from P.O. Mak. A training and development specialist, Choi is now country manager of HR consultants Cubiks Ltd, part of the PA Group; she has previously held training executive positions in the Bank of China and Chase Manhattan.



**India** has elected Prakash K. Ghoshal (*above left*), a Life Member and Fellow of the National Institute of Personnel Management and long-serving industrial relations practitioner, consultant and advocate as president of the NIPM for the year 2001-2.

The NIPM also has a new Executive Director, Dr Pijush Kumar Dutta (*above right*).

**Japan** Chikara (Ricky) Taguchi, general manager of the Japanese Society for HRM (JSHRM), has been made a



board director. Inui Tomoyoshi is now running the Society's Secretariat. Dr Motohiro Morishima (*left*), HRM Professor at Hitotsubashi

University, gave the keynote address at this summer's first anniversary conference of JSHRM. There was also a lively panel discussion on the theme 'Ideal HR professionals in the 21st century'.

**Sri Lanka's** new IPM president is Jayantha Jayarathne, deputy general manager (HR) of the Commercial Bank of Ceylon.

## Some guidelines for programme success

- based on a UN study of the most effective programmes in the past

- The agencies provide subject matter expertise; this may involve secondment of a staff member with the necessary expertise to the college for a period;
- There is senior executive support from within participating agencies;
- The college provides expertise in design, preparation and delivery of programmes;
- Care is taken in the selection and pre-course briefing of programme participants;
- There is post-course follow-up at agency level enhancing the likelihood of transfer to the workplace of the new capabilities;
- Further evaluation and feedback to the college is carried out by agencies some months after completion of formal programmes;
- A true partnership and frank exchange of information between the participating parties.

# What will happen to the w

Before the terrorist attacks on New York and Washington in September, economists were forecasting that the United States could avoid a recession.

This is now thought to be unlikely and the rest of the world is equally expected to be affected, whatever the political follow-up. What will this mean for remuneration policies and practices? Safarina Kardany reports

Even before 11 September 2001, a sharp slowdown had caused serious economic problems in countries such as Mexico, Singapore and Taiwan, with output stalling, if not falling, elsewhere. Now, political action notwithstanding, a recession in the United States seems certain and most of the rest of the world is expecting to follow suit. Trends in pay that have been predicted for the year 2002 are still seen as valid, but are expected to progress much faster.

## The Americas

Earlier this year, pundits were forecasting an improvement in the sluggish North American economy during the second or third quarters. No such improvement occurred and, even before last month's tragic events, US and Canadian companies were continuing to report disappointing earnings. In late August the Dow Jones industrial average fell below 10,000 for the first time since April, and investors sensed that the stock markets may not yet have reached the bottom.

Pharmaceutical and biotech companies have performed relatively well, but major contractions are occurring in the high tech and manufacturing sectors, and a large number of employees have already been laid off; a ripple effect is feared in other industries. Consumer confidence, as reflected in retail sales, is faltering, in spite of the Bush administration's tax rebates and lowering of short-term interest rates.

Against this background, with inflation remaining in low single-digits, base salary increases are typically modest. There is more emphasis on individual merit than across-the-board raises. Better performance is encouraged, at most organisation levels, by various forms of incentive compensation. Stock option grants remain a standard component of remuneration programmes, though clearly a less powerful retention tool in companies where share values have dropped in the last 12 months.

However, as 2001 unfolded, and economic projections for the third and fourth quarters became less optimistic, employers have reconsidered their planned pay increases.

Many are contemplating alternative actions in case their companies do not meet performance expectations by the end of 2001, including:

- Lengthening the time between salary increases from the typical 12 months to as much as 18 months;
- Reducing average increase budgets by one or two percentage points, still reserving larger increases for top-performers and employees with critical skills;
- Substituting incentive compensation opportunities for base pay increases, thus changing the overall mix of fixed and variable compensation costs;
- Using one-time, lump-sum awards in lieu of salary increases to reduce fixed costs on an ongoing basis.

The US economic slowdown has had a substantial impact on Latin America, mainly in terms of exports and investment by US multinational companies. Investment in the region by Japanese and German concerns is also lower than in prior years, due to their own domestic economic problems. As an example of the impact, Mexico has lost over half a million jobs in the last year, principally in manufacturing for export to the US. The exporting countries of Central America, with their extensive textile industries, are also experiencing difficulties.

Argentina's recession is entering its third year, with dire effects on the economies of its neighbours as well as its own. Estimates of GDP growth are close to zero for Argentina, for both 2001 and 2002, and 2-3% in Brazil and Chile. Brazil's currency, the real, has suffered a devaluation of 15% this year as exports to Argentina, in particular, stagnate.

Consumption is low in Latin America and unemployment is rising – it has reached 15% in Argentina. Fortunately, weak growth is matched by low inflation, below 10% almost everywhere except Central America. Predictably, salary increases in 2001, and those forecast for 2002, are generally a few percentage points above inflation. In a legal environment where labour laws protect entitlements as acquired rights, there is little room for cutting back benefits. However,



companies are adopting cost saving and rationalisation policies to ensure optimum use of available funds: flexible benefit plans and employee contributions are examples.

Despite limited budgets for expansion in most markets, and overall reduction in headcount, there continues to be a scarcity of qualified and experienced talent. Some categories of professional and management staff are in great demand and imaginative compensation strategies are essential to both attract and retain them.

## Europe

European economies were seriously hit by rising energy prices last year and at the beginning of this year, and these threatened

# World's salaries next year?



PHOTO: PA News

to the US dollar during the remainder of 2001 and into 2002.

The European Central Bank is treading a careful line of keeping the lid on inflation without smothering growth. With falling prices across Europe, further lowering of the interest rate is likely.

Pay increases are expected to remain moderate again in 2002 due to generally low inflation in most countries and slower economic growth. As such, more companies continue to turn to variable compensation programmes. Eligibility for incentive programmes is expected to continue to increase not just at management levels but also at lower levels.

Central and Eastern European economies have been enjoying a surge in economic activity. Higher oil prices have taken the Russian economy well out of the crisis and helped to stabilise the rouble. Hungary, the Czech Republic, Poland, Slovenia and the Baltic States continue to benefit from reforms begun in the 1990s and from a steady flow of foreign investments. The prospects of a worsening economic and political climate may slow down the progress that is necessary before an eventual accession to the European Union and put a damper on foreign investment in the region.

Bulgaria, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, the Slovak Republic and Slovenia are candidates for accession to the EU.

## Asia Pacific

In contrast to the bullish performance of last year, the outlook for 2001 in most Asian Pacific countries has been gloomy. The majority of the Asian economies have been badly affected by the global slowdown of the electronics and technology sectors, and the sluggish US and Japanese economies. Political uncertainty remains the main concern for Indonesia, the Philippines and Thailand.

From macro-economic reforms to corporate restructuring, the employment landscape in Asia is mixed at best. The net effect, however, has been an improved employment market for executives and professionals, despite rampant

re-engineering and restructuring seen across industries and sectors of the traditional economies. As a consequence, many companies are experiencing higher staff turnover after several years of lower attrition rates.

Regional operations in Asia Pacific are being affected as many major global companies from the USA and Europe are forced to restructure their global operations and slash headcount. Coupled with economic slowdown, many Asian countries are facing problems of unemployment.

In an effort to minimise retrenchment, the governments in several Asian countries have taken steps to review their labour policies to increase flexibility. Companies are either retraining, reviewing staff retention policies or engaging in process re-engineering to remain competitive, rather than decreasing staff headcount or staff remuneration. Across Asia, most employers have revised their actual 2001 and projected 2002 salary increase budgets downwards. In addition, companies are exploring alternatives to control costs through prudent allocation of base and incentive pay.

The challenge for Asia is to achieve a smooth migration towards a knowledge-based economy. Skills upgrading will be intense in countries such as Singapore, Hong Kong, Malaysia and South Korea. Heightened training and human resource development programmes will have to be more innovative and intense to meet these new challenges, and this will have a major impact on HR management policies and strategies.

In conclusion, at the time of going to press, even with the prospects of retaliation for the US attacks, companies around the world were not expecting to make radical alterations to their compensation plans over and above the developments described here. ○

*Safarina Kardany is a senior researcher based in the Geneva, Switzerland, offices of global HR and employee benefits consultancy William M. Mercer*

economic growth. It has now become clear that the slowdown in economic activity in the US, Asia and other parts of the world has started to affect economic growth in Europe. The prospect that a recession is setting in is alarming for Europe's governments, who had finally begun to feel the benefits of unemployment falling from nearly 10% in 1998 to just above 7.5% earlier this year.

Analysts were expecting mild growth of around 2% in 2001 followed by a slight improvement in 2002, but the almost inevitable worsening of the global economic, not to mention political, climate will lead to a downward revision of these forecasts.

The Euro appears to have bottomed-out in mid-2001. It is expected to recover in relation

In the wake of the recent terrorist attacks the Economist Intelligence Unit has cut its global economic growth forecast to 2.4 per cent in 2001 – the most severe deceleration for almost 30 years – and that for the United States to 1.3 per cent – the weakest performance since 1991. The risk of US recession has been increased to 40 per cent (from 30 per cent prior to the attacks). Regional forecasts have also been adversely affected.  
– EIU report, 20 September 2001

# INTERNATIONAL HR RESEARCH

continued from page 1

much stronger focus on cross-country and cross-border business issues. HR is moving towards a world where it has to satisfy line of business – and not just country – needs.

"This is shifting the way that we think about problems. The main change is that we now consider whether we have decent systems in place, and whether this gives us the capability to deliver services without them having to pass through the hands of HR."

The third key issue, and it results from these shifts in structure, is the strong need on the part of top management for HR-related information that cuts across business boundaries and the deficiencies in systems to provide this.

Unfortunately many multinationals still have single country-focused systems, which are not, for example, equipped to locate the organisation's most talented people across the world or even its top 100 earners.

Another problem is described as 'resource deficiency', and it stems from a combination of two trends. First is speed of change – initiatives such as joint ventures make it very difficult for organisations to be clear at any one time about how many people they employ, and records and systems are often not up-to-date. The second factor is the cutting back in HR staff numbers which can mean insufficient local expertise to attend to the necessary work.

The fifth and final driver for change is the need expressed by many multinationals for them to develop a better 'employee value proposition', that is to develop HR IT systems that give employees access to the type of information that enables them to take control of their careers. Examples might be the sorts of competencies required for certain kinds of position and the available ways to acquire those.

## Fraught with problems

But addressing and correcting these deficiencies is by no means straightforward. Take the concept of the global service centre, for instance. Getting managers in some countries to 'buy into' the idea is fraught with political and cultural problems. In Germany, for instance, which has for years thrived on its system of works councils, the notion of the company's data-server being based overseas does not go down well. Other countries do not accept the notion that there can be a

common basis to certain HR processes across the globe – they might argue it can work for Europe but not for the rest of the world.

As multinationals identify a series of generic HR roles around the world, and attempt to map the processes needed to deliver these roles, they are also considering how these redesigned or clarified processes should be supported by the IT systems. The challenge that international HR professionals face is how best to map these generic HR processes into the already established – and often quite unique – country roles that exist for parts of their HR operations. The complexity that comes in is that multinationals are applying this thinking to operations that differ massively in scale and scope – from the mature business unit with thousands of employees to the new business start-up with just 10 people.

The research team has identified three key interrelated areas in which

The CIPD's two-year research project is being conducted by Cranfield School of Management and Manchester Business School.

It has two main objectives – to provide a broad coherent overview of the field of international HRM and a detailed, practical analysis of what is needed to be successful.

Questions to be addressed include:

- The business models driving international HRM, and whether these allow international HR professionals to have a greater influence on the business agenda;
- The impact of international HRM on organisational effectiveness;
- The different models of HR organisation in use, and the most appropriate for different types of international business structure.

A number of surveys and longitudinal case studies are being conducted, involving interviews with international people management professionals and line managers in Europe, the United States, Australia, Brazil, Ghana, Kenya and Vietnam.

international HR people can make their mark. The first is to influence the thought processes of those team members or whoever it is that actually makes the decisions about the redesign of global services and processes. There is currently some important organisational learning taking place, Sparrow told *WorldLink*, as multinationals reconsider which HR processes really are core to all countries and which need to be different. There are issues relating to devolution of HRM and re-centralising it; to cross-cultural complications and of course to national laws and regulations.

The second area is national culture, of which international HR specialists have to become the caretakers.

And the third is managing exchange of knowledge, the systems for achieving which will vary according to the subject area. Some aspects of global HR, such as recruitment and compensation, clearly lend themselves to networks within the company, while others such as expatriation, diversity or organisation development tend to operate externally.

## Kill or cure

Clearly the introduction of e-HR is greatly changing the focus of the international HR role, but will it kill off much of the work or act as the function's 'liberator', enabling practitioners to provide high value-added services to individual employees and business units?

One senior professional interviewed claimed it would do both.

"We now have so much information that we can do the strategy work that we always wanted to. For the right people, the opportunities will be enormous. There are also some people doing nothing but basic transactions. Their jobs will disappear."

Another interviewee asked why, now that HR information was available at the touch of a pc keyboard, line managers could not bypass the HR function.

The answer, says Sparrow, will depend on the ability of international HR professionals to show they can convert the information into messages of real value to the business, to use their cultural knowledge and sensitivity, their awareness of national differences to avoid simplistic misinterpretation of the data. This, he adds, will become a key competency for the survivors.

# Turkey's ongoing crisis

Two major economic crises – in November 2000 and February of this year – meant that Turkey was already in a very bad way well before September's attacks on the US added to political insecurity and the risk of global recession. Hande Yasargil describes the implications for her country's people management professionals

The economic crisis that Turkey has been facing since the second half of last year has put 750,000 people out of work in the past nine months. In August inflation had reached 70 per cent.

Not that economic crises and unemployment are unfamiliar problems for Turkey, but this time there is a difference: whereas previously the impact would be felt predominantly by unskilled workers in the manufacturing sector, many of whom would find jobs again within a few months, this time redundancy has hit thousands of professionals – bankers, journalists, advertising executives – and managers. And devaluation of the Turkish lira has compounded their problems.

Companies have been warned that lay-offs are not the answer, since the double blow of having to fund redundancy payments together with reduced consumer spending will only make matters worse, and in any case even 10 per cent headcount reduction will not cut costs sufficiently to save many organisations. Recent research from the Istanbul Industry Association showed that the employment costs of 550,000 people who work for Turkey's 500 largest companies equated to only 12 per cent of total costs.

So, what can and should the country's HR professionals be doing to minimise the worst effects of the current situation? Peryon, the 1500-member strong Turkish personnel management association, has held special meetings this year – in Istanbul and Ankara – to discuss the crisis, and in particular the social dimension of job losses.

One key issue, of course, is to conduct downsizing in a responsible, professional manner: "Do not fire people at 6pm on a

“We should have been downsizing well before this crisis started. And there has been mismanagement of the downsizing, with the right people going and the wrong ones staying. Too often in bad times downsizing starts with the HR department, which is absolutely the wrong thing; companies should be empowering HR to get the help they need.”

Professor Sinan Artan, Marmara University



The Renault factory in Bursa, Turkey's fourth largest city and centre of the automotive sector, has fared less badly thanks to exports, but even here there have been reductions in working time

Friday"; "do not inform them by email or even letter – speak to them in person"; "give people time to come to terms with the trauma"; "where possible, employ professional outplacement consultants".

But at least as much attention is being paid to ways of avoiding or minimising downsizing and finding other means of surviving the crisis. Still too few HR professionals have the financial skills or strategic influence to propose other more effective cost-cutting measures, but certainly Peryon is trying to encourage members in this direction.

Already many companies are exploring shorter working time: a four-day week is not uncommon. A telecommunications company cut back to 16 hours a week in one plant, and in another asked people to take a month's holiday without pay.

While Turkish law does not permit pay cuts as such, many firms have frozen salaries or reduced hours and only paid for hours worked.

Suggestions to member companies resulting from Peryon's meetings have included the following:

- Have a crisis management plan in readiness;
- Take account of inflation in salary planning;
- Review recruitment plans and do not automatically replace people, but equally do not try to work with fewer people

“We should have been aware of the signals of the crisis. If we had benchmarked against international companies, we could have seen radical differences.”

Ridvan Yirmibesoglu  
Head of HR, Sabanci Group

than necessary; in other words, do not use the crisis as a reason to downsize, but rather focus on optimum numbers for operational effectiveness;

- Anxiety and fear of redundancy will lead to stress and poor work; rather than threatening lay-offs, cultivate a positive focus on performance and added value;
- Organise social activities – sports, travel, photography – to bring people together and improve morale;
- Be ready for recovery: use 'downtime' to focus on training and development;
- Expect more mergers and acquisitions.

## Looking ahead

The average age in Turkey is 27 – the youngest population in Europe. Thousands graduate each year, computer-literate and speaking at least one foreign language. They would like to work abroad, both for the experience and because career opportunities are so limited at home. But as non-EU citizens they find it hard to get taken on elsewhere and Canada's consulate office, for instance, has now stopped taking Turkish applicants. Turkey cannot afford to lose its best qualified young people, but equally they cannot afford to stay.

What with devaluation, inflation, unemployment and political uncertainty, as an economy we have reached rock bottom. However, we have to believe that our potential power resulting from our geographic situation will enable us to recover in the long, if not medium, term; the challenge for HR professionals is to get us through the current crisis with minimum damage.

Hande Yasargil is the international manager of Peryon (Personel Yonetimi Dernegi), Turkey's professional personnel association, which is an EAPM member.

# THE WORLDLINK HR CALENDAR

October 24-26, 2001

Zaragoza, Spain

## AEDIPE 36th Annual Conference

Tel: +34 91 420 0612

Fax: +34 91 420 0894

Email: aedipe@aedipe.es

October 24-26, 2001

Harrogate, England

## CIPD 54th National Conference and Exhibition

Tel: +44 20 8263 3434

Fax: +44 20 8263 3223

Email: training.hotline@cipd.co.uk

October 24-26, 2001

Seoul, Korea

## KMA 22nd HRD Conference & Expo

Tel: +82 2 3786 0290

Fax: +82 2 785 0142

Email: lgs@kma.or.kr

October 25-26, 2001

Lisbon, Portugal

## APG 34th National Conference

Tel: +351 21 352 2717

Fax: +351 21 352 2713

Email: apgtrhail@telepac.pt

November 1-3, 2001

Geneva, Switzerland

## ILO Global Employment Forum

Tel: +41 22 799 6853

Fax: +41 22 799 7562

Email: geforum@ilo.org

November 7, 2001

Riga, Latvia

## 5th International HRM Conference

Latvian Business School in association with

Latvian Association for Personnel Management

Tel: +371 732 6562

Fax: +371 722 4429

Email: ramona@lbs.riga.lv

December 4-5, 2001

Hong Kong

## HKIHRM 21st Annual Conference

Contact: HKIHRM

Tel: +85 22 881 5113

Fax: +85 22 881 6062

Email: info@hkihrm.org

February 5-6, 2002

Bratislava, Slovak Republic

## 5th Slovak International HR Conference

Contact: Jan Podstrelenc

Tel: +421 44 55 10 104

Fax: +421 44 55 26 034

Email: jan.podstrelenc@swedwood.sk

February 13-15, 2002

Toronto, Canada

## HRPAO Annual Conference and Exposition

Contact: Marta Pawych

Tel: +1 416 923 2324

Fax: +1 416 923 7264

Email: info@hrpao.org

April 2-4, 2002

London, England

## CIPD Human Resource Development Conference and Exhibition

Tel: +44 20 8263 3434

Fax: +44 20 8263 3223

Email: training.hotline@cipd.co.uk

April 15-17, 2002

New York, USA

## SHRM International Conference and Exposition

Contact: Brain Glade, SHRM

Tel: +1 703 535 6033

Fax: +1 703 535 6497

Email: intldiv@shrm.org

April 21-24, 2002

Manama, Bahrain

## IFTDO 31st World Conference and Exhibition

Contact: Karolline Immanuel

Tel: +973 789 654

Fax: +973 789 828

Email: IFTDO2002@mice-management.com

May 27-29, 2002

Mexico City, Mexico

## WFPMA 9th World Congress on Human Resource Management

Contact: Luis de la Fuente

Tel: +52 5140 2201

Fax: +52 5140 2227

Email: information@hr2002.org

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